

CARDIFF 33622

CONTINENTAL SELLING PRICES: AUSTRIA S.12; BELGIUM F.29; DENMARK K.175; FRANCE F.230; GERMANY DM.170; ITALY L.300; NETHERLANDS F.1.50; NORWAY K.275; PORTUGAL Ec.15.00; SPAIN Ptas.35; SWEDEN K.2.50; SWITZERLAND F.1.50.

No. 26,883

Saturday January 31 1976

*10p

FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Cod war crews fish on

British trawlers, reassured by the Government's compensation offer, remained less than 50 miles from the Icelandic coast yesterday despite persistent harassment by gunboats.

As Britain continued to await a reply to proposals carried back to Reykjavik by Mr. Gair Hallgrímsson, Prime Minister of Iceland, after his talks with Mr. Wilson, raiding gunboats kept trawler crews busy hauling their gear in and out of the water.

"The gunboats are trying to break our men through fatigue," the British Trawlers Federation said. Page 13, Feature, Page 17

Mercenary of 7 in Zaire

A 17-year-old London youth, who ran away to become a mercenary and is now in Zaire, was reported to be refusing requests to come home. Mr. David Ennis, Foreign Office Minister of State, last night condemned the recruitment in Britain of mercenaries in Angola. Angolan war Page 11

J.K. bombings: Five for trial

Five Irishmen accused of bombings and other offences in British cities were yesterday committed for trial on a total of 72 charges. The accused have said they are not hunches. A support of Frank Stagg, the imprisoned IRA hunger striker, the Home Office said that Mr. Stagg is "settling progressively better." Ulster political news, page 13

Doctors criticised in baby's death

Doctors missed chances to save baby's life, says a tribunal report following an inquiry into the death of a three-month baby. Roadside inquiry. Greater Manchester on November 10, 1974. The report recommends that the consultant involved case to be in administrative charge of an accident and emergency unit at the infirmary. Page 10

Castle assailed

Barbaric Castle. Health and Social Services Secretary, ran a gauntlet of several thousand vil servants protesting against alleged redundancies when he visited the Newcastle offices. Her Department yesterday. Page 10

Catching up

The Australian yacht Anaconda made up more than 400 miles the past four days on Great Britain II, which is still leading the return Sydney-London race. The P.T. Clipper Race. Page 11

24 February

Yesterday's weather and today's prospects got the Meteorological Service's long-range forecast of a 10-day February off to a chilly start. Freezing conditions are needed for the next few days. Five were last night, resulting in stranded in huge snow-drifts in Devon. Long-range report. Page 10. Today's weather. Back Page

Briefly...

Recorded: Mr. William Coleman, a rule on Wednesday whether or not Concord should be permitted to land in the U.S. Temple flame was flown from Vienna yesterday, en route to the 1976 Olympic winter games which open at Innsbruck on Wednesday. Feature, Page 13
Jews to close three wards at St. James's Hospital
Lifted last night when spiritual workers called off their dogs
Had boycott of the wards
Unhappy last night of three spiritual Front for the Liberation of Palestine members was rided in Beirut as a threat to a ceasefire. Middle East news, page 11
x of the 11 Clay Cross ex-unionist rent rebels were declared bankrupt at Chesterfield yesterday.

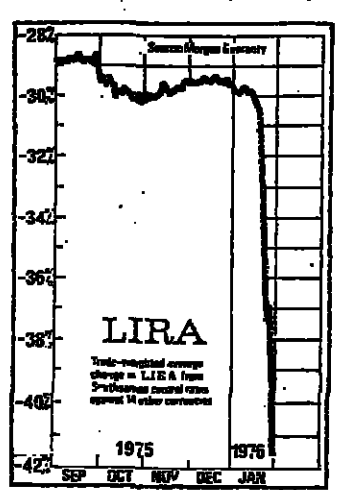
RIF PRICE CHANGES YESTERDAY

Rises	
January 12pc 1905	1100 + 2
January 1905-1941	+ 1
Harvey & Ross 480	+ 20
Styria of Yorkshire 34	+ 9
Wham 350	+ 7
Wm (J.) 75	+ 7
100 Inds. 143	+ 14
ter Ryder 292	+ 12
nnel Tunnel 64	+ 7
ons 417	+ 13
S'A 225	+ 1
cker Sideley 410	+ 10
W and Shanghai Bk 363	+ 15
European Prop. 55	+ 8
ing Supplies 71	+ 5
concrete 73	+ 8

BUSINESS

Sterling steady; lira falls further

STERLING closed unchanged at \$2.0300, its weighted depreciation was also unchanged at 29.9 per cent. The dollar narrowed to 2.17 (2.29) per cent.



The lira fell further against the dollar to 762 (743). Its depreciation widened to 41.61 (39.23) per cent.

GOLD was unchanged at \$1281.

WALL STREET turnover was a record 38.51m. shares. It closed 6.55 up at 975.28 on lower interest rates and favourable corporate earnings statements.

MODEST SURPLUSES were predicted for British Gas and the State Electricity industry while the NCB was expected to break even. Mr. Anthony Wedgwood Benn, Energy Secretary, told the Commons yesterday. Page 10

French offshore oil discovery

FIRST OIL traces in the Western Approaches have been found in French waters some 25 miles north of the Brittany coast, it was announced by the State-controlled Elf-Aquitaine group. Page 11

WORLD'S MAJOR oil consumers agreed on a long-term energy co-operation programme last night, but only by exempting Canada from the clause providing mutual access for exploration and extraction. Back Page

JAPANESE MOTOR production in 1975 was 5.9 per cent. Although still below the record 7.08m produced in 1973, exports were up overall by 2.3 per cent.

U.S. TOUR operators have warned the British Government that many bookings will be cancelled unless it allows One Trip Charters—low-priced American package tours—into the country. Page 10

AMBITION GROUP. Mr. Frank Sanderson's private house-building group, has collapsed. Mr. Sanderson was ousted as chairman of Bovis after the failure of his plan to merge with P & O in 1972. Back Page

SHEFFIELD hand tool manufacturers have sent the Department of Trade evidence to support allegations that the Japanese are "dumping" socket sets in the U.K. Page 10

COMPANIES

WILLIAMS HUDSON first-half pre-tax loss more than doubled to £897,000 (£432,000) on a turnover down to £38.44m. (£57.8m.). Page 14 and Lex
JOHN BROWN and Co. chairman expects profits of about £1.3m. for the year to March 31, 1976. He says the underlying position is one of "some strength and promise." Page 14 and Lex
ENGLISH CHINA CLAYS should give a good account of itself in the current year, says the chairman. Page 15
FITCH LOVELL first-half pre-tax profit increased to £2.59m. (£1.21m.). Sales were up at £175.53m. (£158.5m.). Page 14

New surge in Gilts • Equities index at 417.4

Cheaper bank loans as MLR drops 1/2%

BY MICHAEL BLANDEN

THE DOWNTREND in interest rates accelerated yesterday as a drop of a full 1 per cent to 10 per cent in the Bank of England's minimum lending rate was followed by a parallel reduction in the big London clearing banks' overdraft rates.

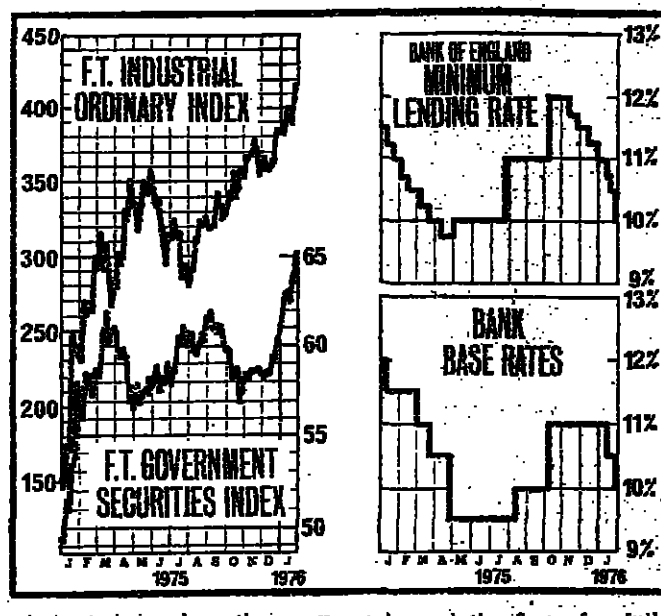
After the cut in bank base rates from 10 1/2 to 10 per cent, most personal borrowers will now be paying perhaps 12 to 14 per cent for their overdrafts. The news, together with the absence of any announcement of a new Government stock issue, brought a further burst of heavy buying in the gilt-edged market and pushed prices to new peak levels for 1975-76, with gains of as much as 2 points at the long end of the market.

The continued enthusiasm of the gilt-edged market again spilled over into equities and the Financial Times ordinary share index rose 8.7 points to a new 1975-76 high of 417.4. This was its highest level since November 1973.

Over the past week, the index has gained 17.6 points and is now 186 per cent above the low point of 148 in January last year.

The continued strength of the gilt-edged market brought the FT Government securities index up yesterday by 0.82 to 63.21. In spite of a slight dip on Tuesday, the index has gained 2.11 points over the past week and individual stocks have seen rises of more than 41 points.

The further drop in interest rates is likely to bring increasing pressure on the building



societies to bring down their own rates after the very successful year they have enjoyed.

Their 11 per cent mortgage rate has remained unchanged through the recent sharp changes in the general level of rates. They are continuing to take a cautious view of the future with an inclination to hold rates until the course of the present year is clearer.

The reduction in the Bank's MLR yesterday put the seal on the recent substantial falls in

weeks and the first of a full 1 per cent during the recent downturn.

Since mid-November, MLR has come down 2 points, falling to a level last seen in July last year.

The substantial drop in the average rate on Treasury bills at yesterday's tender, to which MLR is linked, was big enough to hold out the chance of another reduction next week if the trend continues.

The trend and the strength of the gilt-edged market have been

Kissinger threatens Third World with sanctions

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Jan. 30

DR. HENRY KISSINGER, the U.S. Secretary of State, warned the countries of the Third World today that if they did not co-operate with the U.S. on a number of important foreign policy issues they could not expect to receive preferential treatment in trade and economic matters.

He also hinted that the U.S. was now prepared to use economic relations with the Soviet Union as a lever towards achieving a satisfactory settlement of the war in Angola.

In the course of testimony before the Senate Finance Committee on America's international economic policy, Dr. Kissinger chose to do the mantle more often worn by Mr. Daniel Moynihan, the comparative U.S. Ambassador to the U.N.

At the end of his lengthy prepared statement, he put the American position quite bluntly: "The success of our efforts in North-South diplomacy depends also on more systematic efforts by us to ensure that each developing country understands that our bilateral relations with it include that country's behaviour towards us in international meetings and, in particular, its votes there on issues of the highest importance to us."

He went on to have asked each of our embassies overseas to make clear that one of the

factors by which we will measure the value which that Government attaches to its relations with us will be its statements and votes on that fairly limited number of issues which we indicate are of importance to us in international forums. It must be expected that the U.S. will be weighing this factor more heavily in making new commitments within bilateral relationships.

On the Soviet Union, there was something of a shift in emphasis between Dr. Kissinger's prepared testimony and his subsequent answers to questions posed by the senators.

His statement regretted the lack of flexibility built into the 1974 Trade Act, which tied the granting of most-favoured-nation trading status to the Soviet Union to satisfactory Russian behaviour towards the emigration of Jews. Moscow repudiated the agreement a year ago. His textual remarks implied that the U.S. wanted to change this proviso to normalise trade relations.

But later he said: "I think in the current situation, it is not an appropriate time to ask for revisions in the 1974 Trade Act... not unless the political climate changes."

Only yesterday, while addressing a joint session of the U.S. Congress, Dr. Kissinger had appeared to rule out use of the trade weapon against Russia over

Angola, largely because it took too long to become effective. But Kissinger's remarks among the Russian-wingers, the challenge for the Republican Party's Presidential nomination, have been arguing that this is one means that the U.S. has at its disposal in any attempt to force Russia to bring down over Angola.

Generally, his discourse on U.S. international economic policy consisted of a catalogue of what the U.S. had done to achieve a more orderly system in monetary affairs, commodity agreements and trade agreements, through the UN Special Session, the consumer-producer oil dialogue and in other forums.

However, he left the senators in no doubt as to the necessity of keeping international economic policy within the overall framework of foreign policy. "The radicalisation of the Third World and its consolidation into an antagonistic bloc is neither in our political nor our economic interest."

A world of hostile blocs is a world of tension and disorder... Clearly it is in our national interest—and in the world interest—that economic relations between the developed and developing nations be conducted in a cooperative way and that each have a realistic appreciation of what could be done to advance their mutual interests."

FT reporter held in Zambia

STEWART DALBY, the Financial Times correspondent in Zambia, was yesterday taken to the High Commission in Lusaka by the Zambian police. According to the British High Commission in Lusaka, Mr. Dalby, together with Mr. Bruce London of the Daily Telegraph, was taken to the police for questioning on Thursday evening. After spending the night at Lusaka hotel, they were taken into police custody again at 8 a.m. yesterday.

No explanation has been given by the Zambian authorities. The High Commission in Lusaka reported that the Central Police station denied knowledge of the journalists, while officials at the Special Branch headquarters declined to speak to the British Consul, Mr. Dalby, had been covering the Angolan war and earlier this week returned to Lusaka from a visit to Unita-held territory.

The strike has been caused by practices without first exhausting the agreed dispute procedures. Chrysler regards it as essential to have maximum flexibility in carrying through the major and complex reorganisation which it has agreed with the Government. It argues that if work cannot be transferred peacefully to Linwood from the tiny Johnstone plant then that does not augur well for the transfer of Avenger car production from the Midlands to the Scottish plant by August.

The company points out that its financial agreement with the Government, concluded just before Christmas, is critically dependent on improving industrial relations and productivity in its factories.

These conditions were written into the agreement with the Government, along with regular review dates to give the Government the chance to withdraw from payments if no progress had been made.

Headline criticises strikers, Page 10

Varley warns strikers at Chrysler

BY TERRY DODSWORTH AND CHRIS SAUR

PRESSURE for an early settlement of the Chrysler dispute at Linwood was mounting last night when Mr. Eric Varley, Industry Secretary, warned that the Government would not provide further cash if the strike continued and the Advisory Conciliation and Arbitration Service was brought in for discussions with the union.

In his first public statement on the strike, in which 8,000 workers at Linwood, Scotland, are involved, Mr. Varley said that if the dispute were not settled quickly it would put the whole of the Government's £162.5m. rescue package in jeopardy.

"I do not want anyone to think, in Chrysler or in the country, that the Government is just going to put money in if there is not going to be an improvement there."

He asked the strikers to recognise that 17,000 jobs had been saved at Chrysler and these could be endangered if the dispute went on.

He went on: "The workforce in Chrysler, and Linwood in particular, have got to understand that they were brought to a crisis situation because of an interruption in scheduled production—something like 25 per cent in 1975—and realise that this has got to change dramatically."

Mr. Michael Heseltine, Tory spokesman on industry, yesterday called it "a major scandal" that the British people should be forced to watch a tiny number of people precipitate the collapse of the rescue plans.

So far the Government has paid out only £12m. of the £30m. grant aid it is due to give Chrysler this year. At the moment the £30m. loan, the next instalment is due in the middle of next month.

Mr. Varley's stern warnings came after leaders of Linwood's 300 shop stewards met with a morning meeting to continue the strike. But after the intervention of the Scottish TUC they accepted advice to call in ACAS officials in Glasgow with a view to meeting them today for "exploratory" talks.

Scottish TUC leaders are also to see Mr. Peter Griffiths, Chrysler's industrial relations director, on Monday.

After the meeting yesterday Mr. John Carthy, the shop stewards' convenor, said that he hoped that their differences with the company could be resolved and that a formula for ending the strike might be put to a mass meeting of the Linwood employees on Monday.

The strike has been caused by

Selective price rises

CHRYSLER yesterday became the last of the big four British car makers to raise prices in the present round of increases. The changes are selective, with the Imp range excluded entirely and most Hunter models also unchanged.

EXAMPLES OF INCREASES	
Old Price	New Price
Avenger 2-door	£1,762
Super 1600	£1,815
Hunter Super	£1,974
Simca 100 LS	£1,321
Simca GLS Estate	£1,898
	£2,011

Schlesingers announce a new concept for the knowledgeable investor—Trident Market Leaders Fund

The aim of this Fund is to remain fully invested in leading companies at all times. It is intended as an investment vehicle that will move closely in line with the U.K. market indices although in the long term the objective is to achieve better results than the market.

Schlesingers do not necessarily recommend being fully invested in equities at all times but the Fund is designed for the investor or professional adviser who wishes to pursue his own cash management policy, switching in and out of the market on his own timing. The managers will invest primarily in major companies ("Market Leaders") with a degree of sector weighting. The Fund is an authorised unit trust—units are easy to buy and to sell and it offers capital gains tax advantages. For those investors in the U.K. market who do not wish to take their own decisions on timing, Schlesingers offer the Trident U.K. Growth Fund which follows an active policy of cash management on a conservative basis.

Portfolio Sector Weightings: Each major sector of the Financial Times Actuaries All-Share Index will be represented in the Fund's portfolio. However, the percentage invested in each sector will reflect the managers' view of the relative values and merits of the different industries (see table). Stocks chosen to represent each sector will predominantly be the "Market Leaders" in that sector including many of the shares which constitute the Financial Times Ordinary Share Index ("FT 100"). Individual shares will be carefully selected with due regard to potential risk as well as potential reward. The managers will be required to diversify the portfolio according to current economic and stockmarket conditions.

ANNUAL STATEMENT: English China Clay 9, Francis, Parker 15, Preclut Comment 12, Biff. Soc. Rates 19, Local Authority Sds. 70, U.K. Gov. Bonds 16

The main initial sector weightings of the Fund are set out below:

Sector	FT Actuaries All-Share Index	Market Leaders Fund
Banking, Insurance, Finance	25.3	22.2
Chemicals, Drugs & Cosmetics	4.7	4.5
Engineering	9.0	10.0
Food & Drink	3.3	3.0
Investment Trusts	2.4	2.0
Property	2.7	10.0
Services	2.2	2.0
Transport	7.3	4.0
Utilities	4.0	4.0
Other miscellaneous sectors	17.3	10.0
Total	100.0	100.0

Sector Weighting Strategy: In an attempt of a continuing rise to unemployment and a further erosion of real disposable incomes in 1976 we are currently placing less emphasis on sectors close to the consumer such as Stores and Breweries.

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Share Exchange: Schlesingers operate an attractive and competitive Share Exchange scheme, which will refund the selling expenses involved in switching shareholdings into the Market Leaders Fund. Further savings are also possible under the scheme. Stamp duty on the initial portfolio and further details please return the coupon below to Client Liaison Dept., Schlesingers, 140 South Street, Dorking, Surrey. If you wish to discuss your personal investment situation please telephone 01-409 3100.

MARKET LEADERS PIMS exclusive to SCHLESINGERS

Finance and the family

Inheritance from France

BY OUR LEGAL STAFF

My wife, who is a French national is expecting an inheritance in the form of French securities. Could she keep them there, or sell them in order to buy a property for us to retire to, without paying the premium? Would she get the premium if she brought the securities to the U.K.?

Normally, a person who is a U.K. resident for the purposes of exchange control regulations would be required to deposit any foreign currency securities with a U.K. authorised depositary. Since they are being acquired through inheritance presumably from non-U.K. residents, they would not attract the investment currency premium.

However, as a French national your wife might be able to gain a measure of exemption from the rules, in which case it appears likely that any exempted funds could be used to purchase property in France without paying the premium. Specific application would have to be made to the Bank of England through your bank.

Compensation claims

I am the owner of a residential property which may be purchased compulsorily for a motorway. I am about to give a lease for 14 or 21 years and in the event of purchase would the longer lease be more beneficial from my point of view? Also would the tenant be in a better position if he had the longer lease? Does the recent Community Land Act have any bearing on the compensation to be paid?

A longer lease would normally diminish the value of your reversion and would therefore be less desirable. However you may be able to negotiate a longer lease with options to the lesser (and/or the lessee) to break which could enhance the

reversioner's claim in the event of compulsory purchase. You should obtain advice from a solicitor, as doubtless you will require professional assistance in the drafting of the lease. The Community Land Act 1975 should not affect this aspect of your compensation claim.

Landlords services

If of a total rent of \$450 per annum, £50 is attributable to services embodying cleaning and lighting of common parts and upkeep of grounds and the landlords have grossly neglected the whole for many years have we any redress? Is there not a legal obligation on the landlord to maintain a light in the entrance hall at night?

Whether or not you have any redress depends upon whether the terms of the tenancy impose on the landlords any positive obligation to provide the services in question. The fact that the rent has been determined on a basis which includes the provision of services does not mean that the tenancy agreement necessarily imposes such an obligation. However, withholding of the service element of the rent may produce a response. Any obligation to light the entrance hall likewise depends on the terms of the tenancy agreement.

Getting rid of an executor

One of the executors of an estate of a relative who died 20 years ago is a solicitor who has been forbidden to practise and is an alcoholic. He has recently refused to sign cheques on the ground that money is owed to him, which is not the case. What, please, is the cheapest way to get rid of him?

receive interest at 8.5 per cent. This would be "grossed up" to 13.7 per cent, and reduced by tax at 53 per cent to 5.97 per cent. (as I understand it) and he would thus be better off by 0.5 per cent. It would seem odd that one could borrow from a building society and lend back at a profit. Is it correct? Your reasoning is quite correct and is in accordance with the normal advice given to persons in the circumstances you describe. However, interest on loans taken out from March 23,

It is unfortunately not possible to remove an executor at little expense: an application must be made to the Court for the appointment of a Judicial Trustee. If the estate is worth more than £5,000 this must be done in the High Court, and an order for costs, even if it is made against the defaulting executor, may be fruitless. However, it is essential to commence proceedings with this object if you cannot get the executor to co-operate. An alternative course, but requiring the co-operation of the executor, is to get the executor to appoint trustees of the trusts of the will and to execute a vesting assent vesting the trust property in them. The threat of proceedings may procure his co-operation thus far.

Self help in repairs

We had some equipment installed for which we agreed to pay rent for five years. On our complaining that a bell fell off the wall, after some weeks two engineers came to refix with two screws, for which service we were charged £15.12. It fell off again two days later, about which we again complained. In reply we had a letter stating that "the ownership of the equipment had been transferred to a leasing company," but they retain interest in installations and provide service when necessary, subject to a charge if it is not a component failure covered by the terms of the manufacturer's guarantee." As the equipment is not ours, can we legally repair it ourselves? What about the excessive charge?

There is no reason in law why you should not effect the repair yourselves unless there is an express term in your contract of hiring which prohibits you. As the charge seems to have been excessive, even bearing in

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

mind the possibility of the service call's bearing VAT at the 25 per cent rate, you may wish to retain, say, £10 from the next rental payment, but that can only be done if the rent is paid to the same person or company as that which purported to effect the repair. This again is subject to there being any term in your contract which excludes the right of set-off.

Quantum meruit commission

Last year we instructed an estate agent to value our house, but said it was not for sale. Nevertheless, that same day we had a visit for a couple who had a letter from the agent asking us to inform him when we were ready to give him the agency. Later still, the same couple as before approached us and we made a deal. Do you think I am obliged to pay the agents their commission?

Assuming that the purchasers were in fact introduced by the agents it might be possible for the agents to claim for their commission. The fact that you had not retained them to sell the property may be overcome by an argument that they are entitled on the basis known to the law as "quantum meruit." We think that a court would be likely to hold you liable in this way.

Matrimonial home

When we bought our house six years ago I paid the deposit of £635, though it was conveyed to my husband and he has paid the mortgage interest and rates. Having been for the most part in employment, I have paid a full share of household expenses. I am now proposing to live apart from my husband. How much can I expect from his estate?

You clearly would have some interest in the property, at least equivalent to the proportion that £635 bears to the amount of principal which has been repaid on the mortgage (if this is less than half). However, in matrimonial proceedings the court has wide powers to make provisions which may alter the spouses' strict legal entitlement. It is therefore eminently desirable that you consult a solicitor to ascertain whether you should institute proceedings in court, or should seek to have an agreement with your husband as to provision for you instead. It would be wise to seek such advice before you move out of the matrimonial home.

Insurance

Financing a home from home

BY JOHN PHILIP

AS ANYONE who watched Wednesday night's BBC television programme on burglary will now know, some 500,000 homes are now broken into each year, and the incidence of such crime is growing fast. By comparison, the number of homes that are damaged or destroyed by fire or rendered temporarily, even permanently uninhabitable for some other cause, must be relatively few.

But having regard to the damage done by the New Year's storms, there must be some among today's readers who have had recently to seek alternative accommodation for even a short while and many more who will find of interest a household insurance problem put to me this week by a reader who has a leasehold flat in a large block.

Years' wait

He points to the obvious—that if this building were to be totally destroyed it could be many months, even years, before it could become habitable again, and he asks what cover insurers provide against the cost of setting up home elsewhere.

The starting point, as with all such problems, must be the household insurance policy, which provides cover against a wide range of domestic misfortunes. As there is no tariff, policy wordings vary considerably, but all insurers in both buildings and contents sections of household policies provide some cover against the loss of rent and against the cost of temporary accommodation. To some extent these buildings and contents covers appear to overlap, but on careful analysis it is clear they are complementary.

This is because insurers provide cover for the owner-occupier under the buildings section, and for the tenant-occupier under the contents section.

Normally, under each section insurers fix a maximum payment of 10 per cent of the sum insured appropriate to that section. So, for example, the owner-occupier who insures his house for £15,000 has £1,500 worth of temporary accommodation cover, but the tenant who covers his contents for £4,000 has only £400 of insurance—although their respective homes and standards of living may be comparable and their need for alternative accommodation of similar extent, size, location, duration and so on: 10 per cent is an arbitrary sum but in the context of household insurance, this cover is a fringe benefit.

From the tenant's point of view, this 10 per cent cover not only the cost of alternative accommodation, but also any rent which he may have to continue to pay on his temporarily uninhabited home, unless the terms of his lease stipulate to the contrary (and regrettably not many leases do) the tenant can be legally obliged to continue payment of rent during unoccupancy, unless the landlord agrees to forego it.

Reasonable?

More often than not insurers also restrict their liability by the use of the words "reasonable" and "necessary": thus my own content policy provides cover only for "any reasonably additional expense necessarily incurred" and then "only for the period necessary for repair"—"reasonable" perhaps barring the five-star hotel.

Oddly enough the buildings section of my policy, under which I personally would have to claim in my capacity of owner-occupier, has no such "reasonable" restriction, though the period necessary for repair, so arguably I might be able to take a holiday in Bermuda so long as I am back by the time the repair gang leaves. But as each insurer has his own phraseology, each policyholder must read his own policy to find out more precisely what cover he has.

But by any yardstick, 10 per cent of the average contents sum insured is likely to be too small an amount to cover the cost of anything more than a few weeks' alternative accommodation and so the immediate question is whether insurers will provide any more cover.

As to the financial extent of cover, I think the policyholder must clearly make the running and tell his insurers how much he reckons he needs—for example, if he thinks that he might be out of his home for a maximum of a year, and that the obtaining of suitable alternative accommodation would cost him a minimum additional expenditure of £30 a week then he should ask for £1,500 worth of cover.

Household buildings insurance normally costs from 10p per cent to 12p per cent, while household contents insurance is usually in the 20p per cent to 25p per cent range. At these rates, which have been unchanged since pre-war days, household cover is cheap. Partly because of the increasing cost of fringe benefit claims, partly

because of the domestic crime wave, partly because of widespread underinsurance, few insurers are now making much profit from the provision of the alternative accommodation cover included in household policies: it is a fringe benefit: it is clear that this cannot readily be increased within these premium ranges.

But the policyholder who wants his policy extended must pay not only risk premium but also the administrative cost of having his policy endorsed, and having the computer accounting records changed. Rates of premium I have had quoted range from 10p per cent to 15p per cent, charged on the sum insured, but these rates are often subject to insurers requiring a minimum charge of £2 or £3 for the extension.

Extra cost

Because demand is so low, insurers must charge premium of this size from those who want what is marginal cover. If on the other hand insurers were to increase the alternative accommodation cover, and spread the cost over all policyholders the extra cost to each one of us would probably be only a few coppers—but possibly then the majority would complain about being forced to pay for insurance they do not want. But pending any such unlikely widening of cover, the household policyholder who wants to buy extra protection must pay the individual and not the mass market price.

Lending at a profit

It appears from items in Finance and the Family that interest paid on a building society loan is an allowed deduction for income tax. Hence, interest 11 per cent, marginal rate of tax 53 per cent = effective rate of interest 5.17 per cent. If the borrower repaid the loan therefore he would save interest at 5.17 per cent, but if he instead lent the same amount to the building society on "term shares" he would

receive interest at 8.5 per cent. This would be "grossed up" to 13.7 per cent, and reduced by tax at 53 per cent to 5.97 per cent. (as I understand it) and he would thus be better off by 0.5 per cent. It would seem odd that one could borrow from a building society and lend back at a profit. Is it correct? Your reasoning is quite correct and is in accordance with the normal advice given to persons in the circumstances you describe. However, interest on loans taken out from March 23,

1974, onwards, for example on a second mortgage, would not attract tax relief if the loan proceeds were merely used to invest in a building society. This situation arises from the fact that the government have artificially held down the rate of interest which building societies can charge on mortgages. It does not work out so attractively if the mortgage is a repayment mortgage as the effective gross rate is normally over 11 per cent, as it is charged on the balance at the beginning of the year.

Careers

EVERY now and again somebody produces an insight which, once expressed, is obviously of world-wide significance. When it happens this is always an important event. But the insight I am about to describe is doubly so because it comes at a time when, although our society has more knowledge than ever before, our increasingly committee-bound education system and other institutions seem less and less capable of producing results that anybody really wants.

The insight belongs to Professor Jerry Harvey, an associate professor of management at America's George Washington University. He calls it "the Abilene Paradox" for reasons which he explained at the recent annual conference of the Institute of Personnel Management.

Some time ago he, his wife and his parents-in-law were at a house in Coleman, Texas. The temperature was 104 degrees and a dust storm was blowing. Sheltered from the dust, the four sat under a fan, sipping iced lemonade, passing the afternoon lazily playing dominoes.

Suddenly the father-in-law proposed getting into their car, which had no air-conditioning, and driving 53 miles to Abilene to eat in a cafeteria. Everyone readily agreed. So they sweated in the heat and dust all the way there, ate an execrable meal, and sweated all the way back again.

Once home, they sat about moodily until Jerry Harvey broke the silence. Whereupon they all fell to bickering. First the mother-in-law, then Harvey, and then his wife complained they would have far rather been playing dominoes, and that playing dominoes, but had agreed to the trip simply because the others seemed keen on it. Finally the father-in-law declared that the outing had been the last thing he wanted; he had proposed it only because he felt the others might be bored.

Amid the resentment Jerry Harvey—who is a psychologist—started wondering. Here were four sensible people. As individuals they each knew what was the best thing to do: knew that the dangers of break-

When all roads are wrong



to stay as they were. Yet as a group they had readily agreed to do the opposite. Why? One of the first things he realised was the virtual universality of the experience. In their personal and working relationships people the world over are "going to Abilene" all the time (I would bet that most readers have been there in one way or another within the past few days). Professor Harvey quoted two examples.

One was an American company which nearly bankrupted itself by continuing an expensive research project even though the company president, vice-president and research manager concerned with it knew individually all along that the project was hopeless. But the president did not say so because he felt that abandoning it would cause bad publicity and might provoke the vice-president into resigning. The vice-president did not say so because he felt that abandoning it would cause bad publicity and might provoke the president into resigning. The research manager feared that he might be sacked by both of them. So the trio determinedly looked on the bright side as the company rolled down the road to arrive in Abilene without enough money to meet its payroll.

The other example was the Watergate affair. From their individual testimonies it seems that each of the people involved knew that the dangers of break-

being rejected by the group. "Both research and experience indicate that ostracism is one of the most powerful punishments that can be devised." The reason may be that the bulk of us are taught the pain of being socially rejected far more frequently and strongly than the rewards of risking being right on our own.

The fear distracts us from looking rationally at the real risks of the situation. The group tends to concentrate on suppressing potential conflict instead of on reaching a sensible agreement. But the conflict does not go away. It roils up furiously when Abilene is reached, with all the fellow-travellers reprimanding each other. The most real risk of a member suffering the worst combination of evils is that of letting the committee go on doing the wrong things. Which is why Jerry Harvey's insight is important.

We are all aware of this unfortunate tendency of group decision-making. Why else has the definition "a camel is a horse designed by a committee" become an everyday saying? We are nevertheless putting more and more decisions into the hands of groups. In the name of "participation" we are steadily increasing the risk of going to Abilene all together, like a nation of lemmings.

It would be naive to expect the professor's insight to free this country's education and other systems from the present paradox, where the only developments that are politically possible are usually those that nobody wants. But it does seem to give us more hope than we should have without it. After all, the issues over which the various power groups clash at Governmental level are usually determined for them by lesser groups successively lower down the organisational hierarchies. And for members of these groups Jerry Harvey has provided a relatively riskless code for challenging a non-sensical consensus. It is simply to say: "Excuse me, aren't we in danger of going to Abilene here?"

MICHAEL DIXON

Stamps

ALTHOUGH ICE-SKATING was a feature of the Olympic Games held in London (1908) and Stockholm (1912), with the addition of ice-hockey at the Antwerp Games of 1920, a separate Winter Olympic Games did not appear until the VIIIth Olympiad in 1924 when the Summer games at Colombes were preceded by Winter Games at Chamonix. Though France issued stamps for the Summer Olympics, the winter events passed off without philatelic recognition.

The Winter Games of 1928 at St. Moritz, likewise did not merit a stamp issue, but in 1932 the U.S. released a 2c stamp for the games held at Lake Placid and depicted a skier.

The Fourth Winter Olympics, held in 1936, were commemorated by three German stamps.

When the Olympics were revived after the Second World War the principle of stamps for both Summer and Winter Games was thus already well-established. Switzerland hosted the 1948 Games and issued four stamps for the occasion. This was also the first time that a country other than a host released a Winter Olympics stamp. Austria, producing a semi-postal stamp showing the sacred flame and the Olympic rings. Since then each of the host countries has tended to issue a series of predecessors, usually longer and more colourful sets. At the same time more and more of the participating countries — and not a



few others where snow, let alone winter sports, is a rarity — have made their own philatelic contribution, ever mindful that stamps with a sporting theme are perennially popular.

For the 12th Winter Games at Innsbruck, Austria, released eight stamps in two parts. The first part appeared as long ago as March 1975 and depicted downhill skiing, ski jumping, bob-sleigh and ice hockey. The second part appeared last November and featured figure skating, tubing, and cross-country skiing. The series was designed by Otto Steffler and printed in monochrome intaglio.

In recent years it has become Germany and Austria. Two of

part of international etiquette for the host country of the Summer Olympics to issue stamps honouring the Winter Games as well. On February 6 Canada will issue a 20c stamp depicting a snow crystal and the logo of the Innsbruck Games. This stamp was designed by Rolf Harder, a German graphic artist who emigrated to Canada in 1955. Canada's contribution to the Innsbruck Games seems rather meagre and uninspired, a passing resemblance in colour and composition to the 4-cent stamp produced by the U.S. for the Eighth Winter Games in 1960.

Elsewhere philatelic commemoration of the Winter Games has been mainly confined to those European countries with a strong interest in winter sports. Andorra is issuing a Fr.120 stamp on Monday, with a large pictorial first-day postmark to match. A symbolic approach was adopted by West Germany in the 50pf stamp released on January 5. The stamp, designed by Professor Arthur Zeigler of Innsbruck, shows a stylised skier, typical of much winter sports equipment. By contrast, East Germany issued a set of six pictorial stamps and a miniature sheet on December 2 depicting winter sports venues in

the stamps had small premiums in the aid of funds for the East German team.

One of the most attractive of the current issues is Poland's set of six designed by Hanna Matuszewska. Ski jumping, ice hockey, ski slalom, skating, luge, and bobsleigh are depicted against a background which helps to convey a sense of speed and action.

On the opening day of the Games, Yugoslavia will release two stamps showing a skier and a pair of ice skaters. These have been designed by Dusan Lucic and tastefully engraved in monochrome intaglio.

At first glance Taiwan seems an unlikely participant in the Winter Games, but has sent competitors since 1967. Three multicolour photographs stamps were issued on January 13 and featured biathlon, luge, tobogganing and skiing. A usual, however, the more the philatelic participation. At the moment the record stands at seven stamp and two miniature sheets issued on January 23 by Burundi, deep in the heart of equatorial Africa. All that can be said is in its favour is that Burundi has been a staunch supporter of the Winter Olympics (in the stamp album at any rate) since the country's independence, conveniently coincided with the last Innsbruck Olympics 12 years ago.

JAMES MACKAY

Chess

THE MAIN comment on the results at the Hastings congress, sponsored this year by Zetters International Pools with a grant from the British Federation for the juniors, must be that the British players missed another chance for a breakthrough towards the leading world masters. Two-thirds of the games were drawn, an unenviable change from last year, while English wins against overseas players dropped from 13 to three (two of them by Tony Miles).

Hastings followed the same pattern as the Alexander Memorial, where the grandmasters set a leisurely pace while the British were struggling for points. The event is too heavyweight to give the home players good chances of the grandmaster or master norms. Games were drawn, an unenviable change from last year, while English wins against overseas players dropped from 13 to three (two of them by Tony Miles).

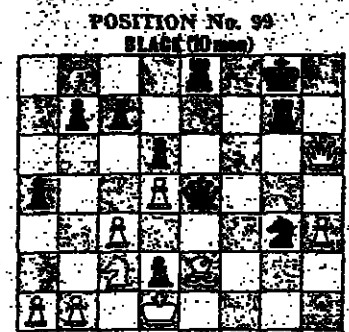
On the credit side, the tough and unrewarding games in individual tournaments provide valuable experience for the international team events where Britain has been doing so well in qualifying for the European finals at Moscow, the England team owes a debt to Paul Zetzer and his firm's generous support

Again too much, too soon

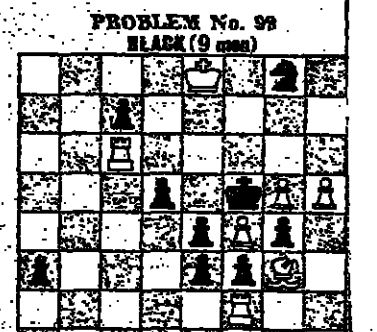
for Hastings and Birmingham. One of the most entertaining wins at Hastings was the all-English encounter where the two British grandmasters, Tony Miles and John Nunn, met at a time where Miles seemed to have real chances of the honour. With so much at stake, Nunn entered the game with a strong intention of ultra-positional style in favour of all-out attack and was rewarded with a crushing victory—so crushing for Miles that he lost his next game as well and with it all hope of the GM title.

Positions where White allows his queen's pawn to be isolated in return for active play for his king are common at all levels of chess from club games upwards, but few handle them precisely. Nunn in this week's game demonstrates how White's attack can become unworkable very quickly, given one or two hesitations by the defence.

White: Raymond Keene. Black: Tony Miles. Opening: Queen's Gambit Semi-Tarrasch (Hastings, 1975-76).



Donner v. Karpavicius, Skopje 1972. Black sacrifices a bishop for this position, relying on his attack against the white king in the centre and the castle is to spot Donner's continuation as White (to move) which refuted Black's plans.



White makes in three moves against any defence (by F. Golegole). There is only a single important line of play—but earlier salvos have remarked on both the problem's difficulty and its attractive solution.

LEONARD BARDEN

Collecting wisely

Smoothing implements

BY JUNE FIELD

THE HAND IRON has an ancient history. The Museum of Fine Arts in Boston has a 12th century painting by Emperor Hui-Tsang (1082-1136) of a woman smoothing silk with a pan-like object. The painting is based on an original done by Chang Hsian in the 8th century and is believed to be the earliest known picture recording the method of ironing with a heated implement.

In primitive times everything from the jaw bone of a sow, a pig's tooth and round stones were used cold on damp material to smooth the creases out. Glass irons (gnidestek), rubbing stones, which looked rather like darning mushrooms, evolved from these, some of which have been found in Viking graves, it being the custom of the Vikings to bury the favourite work-tools of the housewife with her.

In *The Evolution of the Sad Iron*, what must be the definitive work on the subject by an American, published in 1970 by the late A. H. Gissman, in Carlsbad, California, he points out that glass balls were still being manufactured as late as 1783, when the Aas Glass Works in Sandsvær, Norway (1748-1764) listed them.

Mr. Gissman lists a remarkable collection of irons, illustrating the box, the charcoal, and the "sad" variety. The sad iron being the basic flat iron which was heated on a trivet on the edge of the grate, or later on the top of the kitchen stove, and deriving from the old English—solid, dense, compact, massive, heavy and firmly fixed.

The first record of an English patent on a box iron (where a heated shaped slug or brick of crude iron ore was inserted into the hollow base of the iron, and kept in place by a hinged door or sliding gate), was in 1738 by Isaac Wilkinson of Bersham, Denbighshire. Wilkinson's invention was the moulding process by which the body of the iron could be cast complete, where before it was fabricated from sheet metal.

Irons under this patent were made by almost every foundry in England up to 1940. In the eighteenth century many were shipped to the United States until the Declaration of Independence.

An alternative form of a self-heating box iron was the char-

At the Sign of the Sad Iron, 392 Fulham Road, London S.W.6, a polished steel charcoal iron with chimney made to a patent registered in 1870.

coal version, where the operating principle was of burning charcoal, wood or peat actually within the body of the iron, the burning process being ventilated by vents through which bellows could be inserted if required.

The earliest smoothing iron recognisable to-day is probably the tailor's goose, in use in the late 18th century, so called because of its long goose-neck extending from one end to the other, by which it was held or hung up in the fireplace.

There was a large variety of heavy commercial irons, which relied on pressure to do the job, usually weighing from 16 to 22 lbs. or more. Legend has it that the title of the old song, *Pop Goes the Weasel* (attributed to W. L. Mandale) refers to the habit of London hatters of "popping," or pawing (popping—a pawnbroker's), their weasels (working tools) on Saturday nights for cash to buy drink.

"Up and down the City Road, in and out the Eagle, That's the way the money goes—Pop goes the weasel." Collecting interest in smoothing implements in France is strong, where there is the flourishing *Club des Collectionneurs de Fers à Repasser*, started by M. Achille Bayart about two years ago. Very professional documentation is issued periodically to members in Europe, America and Australia. In this country Christie's have material on old smoothing implements.



The Sign of the Sad Iron, recently, at 392 Fulham Road, London, S.W.6, is the liaison for the French Club and has started an English branch. His company buys, sells and collects irons and associated items such as domestic by-gones and farming implements.

The present stock of 700 items, which can be seen by appointment (01-351 0248), includes 19th century large Dutch brass box irons from £25, charcoal irons with chimneys from £12, tailors' gas-worked iron heaters £15, gossamer irons (handsome implements used to smooth and shape the starched pleats of ruffs and frills), £5-£40, plus an impressive 18th century Chinese charcoal iron complete with dragon decoration and maker's marks; the latter are important as copies have been produced for the tourist trade. (Further elaboration in the Gissman book, still available to order at £7 in a limited quantity from the club.)

Trivets and basic sad irons can still be searched out from country markets and shops for £1 or so. An interesting collection can be built up concentrating on trademarks and design variations. For further study there is Mary Norwak's *Kitchen Antiques* (Ward Lock, £3.95) which includes a relevant section, and the Victoria and Albert Museum, the Science Museum and the Museum of English Rural Life in Reading have material on old smoothing implements.

Property and housing

Portrait of a buyer

BY JOE RENNISON

DOES THE great British public—rather larger than we really know—want it when need—even allowing for possible enlargement of the family—comes to the question of buying a house? This purchase—like all the largest that is made by the most people—is all the more important, therefore, that the amount of money available for choice should be right. A the purchase and upkeep of the report published this morning home. In general young people by Research Associates tend to be less affluent than others; their aspirations may be people, buying their first new wide but they must suit their home to their income. This too are not startling in any way can distort the results of a since many of the answers are survey of this kind.

Market survey companies such as Research Associates must obviously choose their subjects where there is a care in needed according to the question of the kind.

It is always difficult to assess a report of this kind to decide whether those who have helped in answering the questionnaire are sufficiently detached from the subject to hold independent views. On the question of the design of a new house, could it not be that many of those questioned (and in this case they were all under 35) have been influenced in their replies by what they and their parents before them have been used to.

Basic layout

A child growing up in a new house, say, 20 years ago would probably not find very much difference in the basic layout and design when he comes to purchase a house in adult life. As a nation we are extremely conservative about this aspect of our day to day living. As we do not, therefore, simply brainwash by what we know? It might be more profitable when conducting this kind of survey to take a sample consisting of a hundred or so couples and give them the benefit of living in all kinds of conditions, from the most palatial to the most squalid, in several countries, in order to find out what they really want in their first new house.

It is probably true that most of us when first setting out to join the houseowning democracy would like a house by the boom of the early 1970s.



Goldborough quail farm is at Pentridge, near Salisbury. The farm supplied 63,000 birds last year to such customers as Harrods and Fortnum and Mason. This would seem to be a steady trade since it is forbidden to import quail into the U.K. The house dates back to the fifteenth century and has two of

those characteristics which seem buyers of an old English house—an inglenook fireplace. It is set in a half acre and there is planning permission for building a detached house on ground. Price £45,000 through the 1 mouth office of Christie and Co.

There is no doubt that anyone who bought a house in 1971 could have sold it at a vast profit before mid-1973. But someone who bought in mid-1973 might very well have to sell at a loss now. It is true that in the long term property values increase; it is doubtful however, whether they increase at the same rate as the real value of money. The report does not make plain whether those who answered were looking for short-term or long-term gains or whether they were simply playing safe.

How the new house is chosen may well be of interest to builders who think they are not getting the right reaction from their customers. It seems that estate agents are very rarely used in choosing a new house. This is hardly surprising, since the houses advertised are sold locally by their very presence—and a lot of newspaper advertising generally accompanies the building of a new complex. However the young couple is introduced to the house, there seems to be some resentment at the idea that it was sold to them rather than that they chose from among the properties that were available. There is a curious reaction to selling techniques which may reflect some post-sale disingenuousness on the part of those interviewed. It is claimed that

they reacted unfavourably to glossy literature and the availability of a showhouse for inspection. This is curious since any sales manager of a building company will confirm that those people inspecting a development are simply rubbernecking; and the amount of glossy literature taken away from the showhouse would probably keep Fleet Street in paper for a month. Perhaps the truth is that those who have bought like to think that their choice was their's alone.

I would agree with them on the subject of showhouses, but probably for a different reason. These often mislead because the furniture usually seems to have been chosen from a glossy magazine—and it also manages to hide the cracks.

Kitchen design

I was pleased to read the reactions on the subject of kitchens, a subject which some readers may remember I have made almost a personal campaign in this column. Those interviewed agreed that most kitchens are a disaster as far as design is concerned. The fittings provided by builders are also resented and it seems that their omission could top a few pounds off the price of the house.

Another curious re the attitude of most questioned about the lavatory. Only thought that a lavatory among colleagues in confirmed my opinion: combined loo and bath a disaster.

To buy a house one lot of money and on largest sections of the devoted to finance. lic's ignorance about societies is, to say i curious. The socie described in the r rather like the bar "more commercial." that the fact that bar profits and building so not has still not sunk

The term "more com might have something with the fact that mar are turned down for sage. In the same sec of the people thought posh furnishings in societies offices were for staff and custom those who had had around for a month? The Design, Marke Financing of the F House; Research Assoc Radford, Stone, Stal ST15 8DJ. Price £53.

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DIRECTORS VIEW CURRENT YEAR WITH CONFIDENCE DESPITE DIFFICULT TRADING CONDITIONS

this will be, is hard to say. High stocks of paper merchants and users at the start of the recession would now have to have been low levels; nevertheless, demand for china clay is some sign recently of a recovery, particularly in markets, trading in the wake of the current financial crisis, will be very much a matter of time, whilst the recovery in china clay is not likely to be until 1977. The Division may well find ad schemes already in place when the current wave

marked throughout by efficiency and co-operation. When the trade levels are low, the force is well equipped to raise production levels swiftly and effectively, and to overcome difficulties with knowledge and resource.

The Engineering Department has completed two major works in developing some £3.0m. of pit dressing and modernisation of Cornwall, and the other of updating a refining plant in Devon. We have sufficient capacity to cater for the strongest surge in demand that we may encounter, from modern refining and processing plants, and we also have less modern plants held in reserve. Accordingly, we are now concentrating our projects to contain costs and to improve process control. We are also extending our total generating capacity in order to economise and to safeguard our power supplies.

Our Research and Development Department has continued work on advanced technology to improve our products, and to conserve and exploit our deposits to the best advantage.

The Exploration and Overseas Department has had a successful year in adding to our reserves and in increasing our knowledge

...figures seismic data for analysts
by their skilled team of specialists.
The ship has been operating
successfully in the North Sea, growing
the Company has a long growing
reputation for high quality cer-
nals and enjoys an increasing
business.

International Drilling Fluids
(UK) Ltd., in which we have a
50% interest, has consolidated
its position as one of the leading
drilling mud suppliers in
Northern Europe: on the evi-
dence of its current performance,
it should maintain its market
share when marine operations
move increasingly from the ex-
ploratory to the development
stage.

Crown Cassette Communi-
cations Ltd. found progress
difficult because of the unex-
pected slow growth of the video
communications industry. Sales
of its conventional equipment
are, however, picking up, and
this will be boosted by the
acquisition during the year,
against keen competition, of the
franchise, for Europe and the
Middle East, of projection colour
television equipment, developed
and made in America, which
beams a thirty-nine inch picture
on to a special screen: it is
known as the Advent Video
Beam Projector.

The Government's Community Development Act causes us, in connection with other industries, mineral operators, and builders, to have concern. The objective claimed for it is to enable the community to control, through

We were fortunate during the ceremony to be able to appoint as Director Sir Frederick Bishop, C.V.O. Sir Frederick, who is in Cornwall, recently became Director General of the National Trust and is thus personally interested in all matters of the environment. His presence at the ceremony was an experience as a distinguished Civil Servant is an experience in itself. His contribution to our deliberations is almost too helpful.

It is my pleasure to announce the election of Sir Frederick as Director. He would be doing a splendid attempt again to the planning spirit of the 1960s. The people met and the challenges of the 1960s. We feel deeply encouraged to them, and highly encouraged for the future.

ly 16-24	Haslem
ly 16-September 11	Proms London
August 2-15	Internat
August 5-18	Harro
August 20-22	Internat
August 21-27	Three Wor
August 22-September 11	Edinbu
ring September	Chelte
September 11-25	Salibu
September 24-October 10	Newca
September 25-October 9	Winds
October 9-23	Leeds
October 10-23	North Nor

For more complete list of festivals ca
London, published by the British Tour
London SW1 1NF, price 22p by post.

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onal Youth Orchestras Festival
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Choirs Festival, Hereford and
ester
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ham Festival of Literature
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r Festival
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and Norwich Triennial Festival
ch
be obtained from *Britain—Major*
st Authority, 64 St. James's Street,

mothers-in-law he might have produced something like John Hale's acid drama. Good playing from Vivien Merchant and Charles Chapman. Opened Tuesday.

WYNDHAM'S — *Comedies.* Transfer of Trevor Griffiths politically-based but incidentally funny comedy, with Jeremy Jewell as a retired comic who brings tyro material. Opened Wednesday.

ALDWYCH-Henry IV. Both parents join Henry V in the Royal Shakespeare production, which is brought in from Stratford. Should not be missed. Opened Thursday.

CLARK-Larky. Scarborough — *Just a Few of Our Own Kind.* Sprightly new Ayckbourn comedy that is certain to come to London in due course.

July 16-24	Haslemere Festival
July 16-September 11	Promenade concerts, Albert Hall, etc., London
August 2-15	International Youth Orchestras Festival
August 5-18	Harrogate Festival
August 20-22	International Youth Orchestras Festival
August 21-27	Three Choirs Festival, Hereford and Worcester
August 22-September 11	Edinburgh Festival
During September	Cheltenham Festival of Literature
September 11-25	Salisbury Festival
September 24-October 10	Newcastle Festival
September 25-October 9	Windsor Festival
October 9-23	Leeds Music Festival
October 10-23	Norfolk and Norwich Triennial Festival, Norwich

A more complete list of festivals can be obtained from *Britain—Major Festivals*, published by the British Tourist Authority, 64 St. James's Street, London SW1 1NF, price 22p by post.

more complete list of festivals can be obtained from *Britain—Major Festivals*, published by the British Tourist Authority, 64 St. James's Street, London SW1 1NF, price 22p by post.

SHAW—*The Ginger Men*. Decent revival of Donlevay's blackish comedy of American students in Dublin, with John Shrapnel as Dangerous. Opened Monday.

WHITEHEAD—*Come into my Parlor*. Unpleasant nonsense. Opened Monday.

GREENWICH—*Love's Old Sweet Song*. If Strindberg had transferred his hatred from wives to mothers-in-law he might have produced something like John Hale's acid drama. Good playing from Vivien Merchant and Constance Chapman. Opened Tuesday.

WYNDHAM'S — *Comedians*. Transfer of Trevor Griffiths' politically-based but incidentally hilarious comedy, with Jimmy Jewel as a retired comic coaching a new tyro material. Opened Wednesday.

ALDWYCH—*Henry IV*. Both parts join *Henry V* in the Royal Shakespeare's productions brought in from Stratford. Should not be missed. Opened Thursday.

LIBRARY, Scarborough — *Just between Ourselves*. Splendid new Ayckbourn comedy that is certain to come to London in due course.

OVERSEAS NEWS

Forster admits presence of Africans deep in Angola

JOHN STEWART

JOHN FORSTER, the South African Prime Minister, has admitted publicly to the presence of South African forces in Angola. He said that the South African Government had been aware of the presence of South African troops in Angola since the beginning of the year. He said that the South African Government had been aware of the presence of South African troops in Angola since the beginning of the year. He said that the South African Government had been aware of the presence of South African troops in Angola since the beginning of the year.

Spanish warned to cut spending

By Roger Matthews

MADRID, Jan. 30.

THE ECONOMIC performance of Spain during the next few months could be crucial to the political and social aims of the Government, according to the Minister of Finance, Sr. Juan Miguel Villar Mir.

Namibia poll cut renewed

OUR LUSAKA CORRESPONDENT

LUSAKA, Jan. 30.

AMBIAN Government will not receive any revenue from the industry during 1978, Minister Luke Mwanza said here today when he announced that the Government had decided to cut the industry tax by 10 per cent.

Igerian forces pull back

ERENE FURNESS

ALGIERS, Jan. 30.

IAN ARMY forces have been celebrating a victory as the Algerian army has pulled back from the border. The Algerian army has pulled back from the border, and the Algerian army has pulled back from the border.

Libya gains Beirut acceptance

ROBERT GRAHAM

BEIRUT, Jan. 30.

LIBYAN mediation effort is increasing its credibility, according to a statement issued by the Syrian Arab Republic. The statement said that the Syrian Arab Republic was pleased with the progress of the mediation effort.

Cabinet talks on Lisbon farm protest

By Paul Elman

LISBON, Jan. 30.

THE PORTUGUESE Cabinet was meeting this evening to discuss measures to defuse protests by farmers which threaten to reach a climax over the weekend.

NAPLES UNDER THE COMMUNISTS Cleanliness before godliness

BY ANTHONY ROBINSON, ROME CORRESPONDENT

AN ITALIAN Government crisis brings out the worst aspects of Italian politics—the interminable discussions on possible coalition formulas, the rivalries between factions and personalities, the surrealistic sense of a closed caste—discussing abstract notions while the lira burns and the fundamental problems of this nation of 54m. people are neglected.

THE Italian lira lost further ground yesterday against the dollar and other leading currencies in steady inter-bank trading, and its depreciation was even greater on the so-called "parallel" or black market, according to J. Coyle, a writer from Rome.

Clipper Race

BY ALEC BEILBY

australians cut GB II lead by 400 miles

AUSTRALIAN YACHTS, keeping within 600 miles of the South Atlantic high pressure area, made up more than 400 miles on the British ketch Britain II during the past 24 hours.

First traces of oil found off the Brittany coast

BY RUPERT CORNWELL

PARIS, Jan. 30.

THE FIRST ever traces of oil have been discovered in the Atlantic off the Brittany coast, but safely to the south of the zone still under dispute between France and the U.K.

Mark Cox, Ashe out of quarter finals

BY JOHN BARRETT

PHILADELPHIA, Jan. 30.

BRITAIN'S LONE representative Mark Cox was not among the eight survivors in the U.S. Professional Championships, the eighth round of the tournament.

Warsaw Pact says Nato plan insufficient

VIENNA, Jan. 30.

THE WARSAW Pact said today that a Nato offer to withdraw 1,000 U.S. nuclear weapons from West Germany was insufficient, but still worth discussing.

Drugs price cuts ordered in Berlin

By Guy Hawtin

FRANKFURT, Jan. 30.

HOFFMANN La Roche's West German subsidiary has been ordered to cut its prices for tranquilizers and sedatives by 25 per cent.

German banks must insure

By Adrian Dicks

BONN, Jan. 30.

THE West German Parliament today accepted a new version of the Credit Protection Bill, which lays firmly on the banks themselves the responsibility for insuring small savers and depositors against the possibility of future failures.

Greece retorts

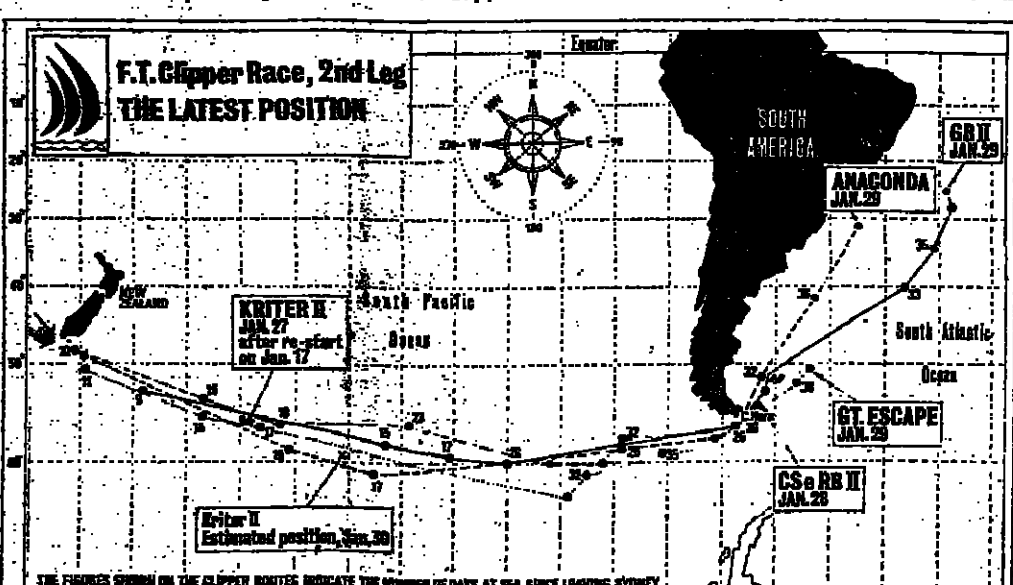
OPPOSITION parties and the Greek Press today sharply criticised yesterday's decision of the EEC Commission to give cautious endorsement to Greece's request to become a full member of the Common Market.

Canada's deficit

Canada had a record trade deficit of \$799m. in 1977, compared with a surplus of \$152m. in 1974, Statistics Canada said.

Plea for Spain

The retiring American Ambassador to Nato, Mr. David Bruce, called for Spain's admission to the Nato alliance, according to informed sources, Reuters reports from Brussels.



THE FINANCIAL TIMES

Incorporating THE FINANCIAL NEWS

Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON, EC4A 3DF.
Telephone Day & Night: 01-248 8000. Telegrams: Finantime, London.
Telex: 88631/2, 88333.

For Share Index and Business News Summary Ring: 01-246 8026

Subscription Prices: 1976
 Single Copies: 5p
 12 Months: £12.00 (UK), £14.00 (overseas)
 6 Months: £6.00 (UK), £7.00 (overseas)

Printed by The Financial Times, 1, Abchurch Lane, London, EC4A 3DF.

SATURDAY, JANUARY 31, 1976

Prices move ahead

IT HAS BEEN a good week in the markets, for gilt-edged stocks and industrial equities alike. Prices opened firm on Monday, following the cut in Minimum Lending Rate and the exhaustion of the long top stock at the end of last week; fell back momentarily on profit-taking; and then moved ahead again steadily. Rises in the gilt-edged market have been unusually sharp in the absence of any top stock and in hopes of another cut in M.L.R.—more than fully satisfied yesterday, with a cut of a full ½ per cent, accompanied by a similar cut in bank base rates, which pushed prices higher still. Equities have been helped not only by the strength of the gilt-edged market and of Wall Street, where the Dow Jones average is now again approaching the 1000 mark, but by the fact that the Chancellor and the unions seem less at cross-purposes about the immediate course of economic policy than one might have feared, and that the report of the Royal Commission on high earned incomes implicitly gives the Government full freedom of action to correct the serious anomalies that have developed during the past few years. But demand for equities is noticeably more speculative and bad news could cause a temporarily sharp reaction here.

The further drop in interest rates, both short and long, which has taken place this week has been made possible only by the movement of rates in the U.S.—Citibank's prime lending rate fell again yesterday—but it suggests strongly that the authorities are anxious to bring rates down as an end in itself rather than as merely a necessary accompaniment to high sales of gilt-edged.

Healey firm

Such a downward movement of rates is both symbolic of the progress that is being made against inflation and a prerequisite of the higher capital investment which the Government would like to see taking place earlier in the coming business upswing than is usual. It is also necessary to provide equity strength with the underlying strength to absorb a flow of rights issues which is likely to become heavier as companies begin to rebuild stocks and start all the progress that has so far been made, the fact remains that inflation will only be

brought down below the two-digit level for more than a short period if wage rates can be kept from rising at too fast a pace once the present phase of incomes policy expires in the summer.

There has recently been a concerted demand from both the TUC and from Labour backbenchers for early action to reverse the rise in unemployment. The Chancellor, however, seems to be sticking to his guns. More measures to take some of the edge off unemployment are on the way, but he made it clear in the course of Thursday's debate on unemployment that neither of the main measures—immediate stimulation of home demand and import controls—were sensible or acceptable.

Tax rates

The heavy abstentions of left-wing MPs on the vote are of minor political significance, since they would not have taken place had there been any real risk to the Government. Moreover, although there will no doubt continue to be heated debate between TUC leaders and the Government over economic policy and the next phase of incomes policy, relations are still reasonably cordial. Mr. Len Murray, for example, has made it clear that the TUC is not pressing for an immediate boom in consumer spending. But the feelings of the rank-and-file have clearly to be taken into account, and it will require political courage to lift the brake on higher earned incomes.

The importance of the Royal Commission's report, for all the unsteadiness of its statistical base and the watery nature of its general conclusions, lies in the recognition—accepted by the whole Commission, though the obvious consequences are spelt out only by three members in an addendum—that the reduction in differentials at the higher end of the income scale, amounting to a sizeable cut in real net disposable income over the past 2½ years, is due to "exceptional" circumstances. The addendum suggests that it is imperative to right the position as soon as these "exceptional" circumstances are past. Given what is recognised to be a widespread ignorance about the effect of taxation on higher earned income, relief might well be provided through a lower rate of

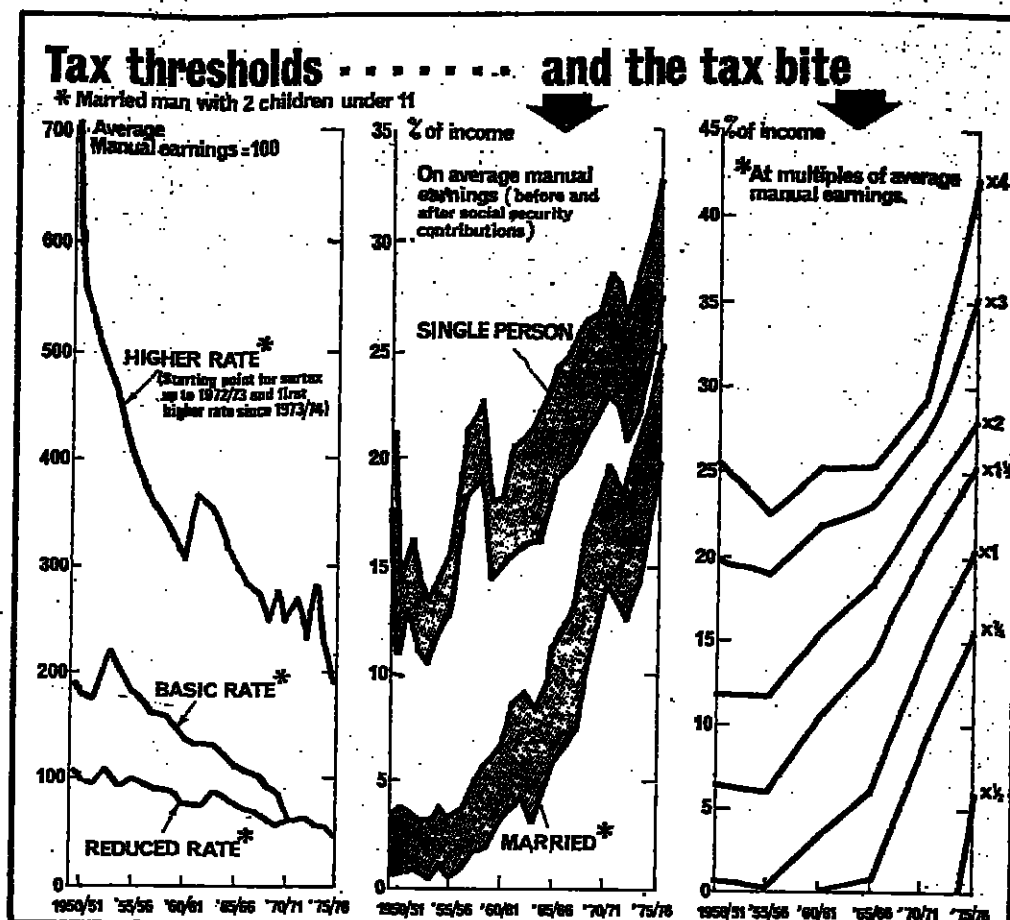
INCOME TAX may not have reached the absolute limit of capacity to pay in the narrowly technical sense of the term. But the view that the present burden is about as high as is politically and practically tolerable in a democratic and law-abiding society is commanding more and more support, even from Labour Cabinet Ministers such as Mr. Anthony Crossland, the Environment Secretary, who has always favoured a high level of public spending.

Indeed, there is a case for arguing that the limit of public acceptability may already have been passed. At the lower end of the income scale, there is now a very substantial overlap between the system of income tax and the systems of supplementary and other means-tested welfare benefits. For a married man with two young children the tax threshold—the point on the income scale where liability for tax begins—now comes at a mere 44 per cent of average industrial manual earnings. This is well below the "poverty line" at which most means-tested benefits can be claimed. If the family man with children is earning half the industrial average he will be entitled to claim family income supplement, the passport to various other benefits such as free prescriptions, school milk, dental and official services. But he will also be taxed to help pay for them. If he is earning less than three quarters to four-fifths of the average, he could well find that he would be better off by not working and relying on State benefits (which are not taxable) and this could still be so even after his accumulated tax rebates had run out.

Preposterous tangle

Even if he stayed on in his job he could well find that his latest pay increase will be more than swallowed up by a combination of increased tax and social security payments and (when they each come up for renewal) reduced benefits. According to the Government's own figures, at least 50,000 claimants are now caught in this "poverty trap" where the marginal rate of tax is more than 100 per cent. While several arms of the State are busily handing out various means-tested benefits (there are, in all, now 44), another arm is busily taking them back in higher taxes and contributions. This preposterous tangle is at least one reason why not every one on a low income bothers to claim.

There is now, furthermore, not the least chance of abolishing the "poverty trap" for those at the bottom end of the income scale by squeezing more out of those who are further up. Even if income-tax were



raised to confiscatory levels so as to impose a ceiling of £8,000 a year on net incomes, the total income-tax yield would be increased by a mere 3 per cent, which would be just about sufficient to top up everyone else. If the ceiling for post-tax income were to be set at £5,000 a year—which is just about double the take-home pay of a married man with two children earning the industrial average—the extra yield would cover barely half the £1.9bn "cost" of raising the tax threshold for families to two-thirds of average industrial earnings.

In other words, the only way in which substantially more revenue can now be obtained from income-tax is by raising the burden on the average earner. Yet, already, the single man on average industrial earnings is paying a third of his income in income-tax and national insurance contributions, while a family man with two young children is paying a quarter. If the income of the single man increases to 1.65 times the industrial average he will start paying a higher marginal rate of tax—the equivalent of the old surtax—while for the family man with two children this point comes at just under 1.9 times the industrial average.

The present position has not come about suddenly. It is true that the tax burden and the tangle with the benefits system have both been made a good deal worse in the last year or

so. Since the present Government took office, average industrial earnings have risen by about 50 per cent, while the tax threshold has been increased by a mere 13 per cent for a single man and about 23-25 per cent (according to the number of children) for the family man. Over the same period unemployment, supplements, and most other benefits (which are not taxable) have been increased by the effect of earned income about 50 per cent, and the State retirement pension and widow's pension (both of which are taxable) have been increased by merely about 70 per cent.

The situation may thus have been made even more ludicrous but it has been building up progressively for many more years than just the last two as "fiscal drag" has steadily increased the tax collector's share of personal incomes and as the benefits system has been developed and extended. The standard or basic rate of income tax is no higher now than it was just over 20 years ago (allowing for the effect of the former earned in-

come relief). But real incomes have risen since then and tax allowances have not been adjusted so as to keep fully abreast of the changing value of money. The cost of living has trebled since the mid-fifties but only the single person's allowance has fully kept pace. The tax allowance for children has barely been doubled in that time (again after allowing for inflation) by the effect of earned income about 50 per cent, and the minor allowance, such as the dependent relative allowance, have been effectively increased by merely a third.

In relation to average manual earnings, the decline in the value of these allowances has been even more dramatic. Twenty years ago the tax threshold held more or less coincided with average manual earnings for a married man with two children and he did not start paying the full or standard rate of tax until his earnings reached 1.8 times the industrial average (or almost the point where the present equivalent of surtax

THE TAX/BENEFITS OVERLAP

	Supplementary benefit	Tax threshold	Tax payable if benefit was taxed as earned income
Married Couple	£1,963	£1,757	2.95
3 children	1,768	1,571	2.58
2 children	1,573	1,383	1.80
1 child	1,378	1,195	1.23
No children	1,183	955	1.53

* Assuming £5 a week rent addition.
+ Allowing for family allowances and the family allowance tax claw back.

starts to become payable). Ten years ago the threshold, where Government revenue reduced rates of tax first became payable, had fallen to 73 per cent of average industrial earnings and the standard tax rate was payable at 110 per cent of the average. To-day there is no reduced rate and the basic rate—the tax bite for the average industrial earner—starts at 44 per cent, as a result, the tax threshold of average earnings. As a result, the tax bite for the average industrial earner has increased from virtually nothing 20 years ago to 6 per cent of his gross income ten years ago and to 20 per cent to-day.

The trend has been similar further up the income scale. Twenty years ago surtax began to be payable by the family man at four times average manual earnings while ten years ago the starting point was three times the average, as against less than twice to-day. The top rate of tax, which was reached at 64 times average industrial earnings at the end of the last war, is now payable at less than seven times the industrial average. As a result the family man with two children who is earning, say, £12,500 a year, or about four times the average manual worker, is now paying out 42 per cent of his income in direct taxation whereas his predecessor on the same point in the income scale 20 years ago would have been paying only 22 per cent. That, of course, is on the assumption that gross incomes have kept pace with the earnings of manual workers, which in recent years is certainly not the case.

Consider achievement

For the same reason of rolling back the threshold by any degree in the short also be ruled out. Res threshold to the inn even a year ago would over £2bn. of the pres income tax yield while to the equivalent threshold would cost £3bn. The best one n for in the immedia would perhaps be to tax threshold steady-state declining at the perspective of 10 years, even that of a considerable achievement per cent. increase in and married person's ance for example w about £720m. in th tax year, or almost 3 per cent of an extra 2p oc and higher rates.

Again in the lon the tax threshold and it will would obviously help also have regressive effects further up the scale in the middle band of incomes below the starting point for higher rates of tax. These consequences can be mitigated by Budget changes but they are rarely fully offset. Over the past ten years Chancellors have claimed to have taken 8m. people out of the tax net as a basic requirement is consequence of their Budget changes. Yet there are now 2.5m. more income-tax payers than 10 years ago—and the total even be sure that effort working population has not tain the real growth risen. Only in four of the last spending over the n 20 years has the effective tax years, and the size threshold been lifted as a percentage of average manual successful. But once it earnings. One should also not ignore an opportunity to reduce the other undesirable effects of burden all round.

Regressive effects

It might be argued that the overall effect of these changes has been progressive in income distribution terms. Up to a point this is true, as the Royal Commission on the Distribution of Income and Wealth recently showed. But "fiscal drag" can also be regressive. It can particularly hit those just entering the tax threshold and it will also have regressive effects further up the scale in the middle band of incomes below the starting point for higher rates of tax. These consequences can be mitigated by Budget changes but they are rarely fully offset. Over the past ten years Chancellors have claimed to have taken 8m. people out of the tax net as a basic requirement is consequence of their Budget changes. Yet there are now 2.5m. more income-tax payers than 10 years ago—and the total even be sure that effort working population has not tain the real growth risen. Only in four of the last spending over the n 20 years has the effective tax years, and the size threshold been lifted as a percentage of average manual successful. But once it earnings. One should also not ignore an opportunity to reduce the other undesirable effects of burden all round.

Letters to the Editor

Talking turkey

From Mr. D. Kelly.

Sir—As one of the turkey producers alleged to have bribed MPs with turkeys at Christmas, I am not surprised at this because even the Ministry of Agriculture has misinterpreted some of the fundamental issues at stake. The exercise was intended to inform MPs at first hand exactly what is a traditional farm fresh turkey because we had failed to make the Ministry aware there are two types of fresh turkey, a belief borne out by a Ministry Press statement received on January 27.

The Ministry says: "Anyone who does not want a frozen bird will be able to buy a fresh, eviscerated one which will be kept cool but not frozen. Such birds are becoming increasingly available in the shops and the poultry industry can be expected to adjust its production to meet an increasing demand for this type of poultry."

This is not true and it illustrates the difference between a traditional farm fresh turkey as seen in the butchers and a fresh eviscerated turkey as purchased in a multiple store. The traditional type of turkey is a more mature bird, reared in more outdoor conditions and hung for seven to 10 days—all of which helps to give it a special flavour. It is this product—and not the fresh eviscerated turkey—which is demanded by housewives catering for more than 10m. people at Christmas. Under EEC regulations this product will ultimately be available only at the farmgate and probably no more than 10 per cent of housewives who buy a traditional turkey have the privilege of easy access to farmgate sales.

It is wrong to assume the industry will be able to increase production to meet demand for fresh turkeys if farmers are banned from producing this type of turkey. A national retailer which advertises "fresh not frozen" turkeys has to sell some of the frozen product at Christmas because it cannot obtain sufficient supplies of fresh eviscerated turkey. This product has a limited shelf life, even

kept cool, and it would be impossible for the industry to expand its processing facilities to meet the total demand for fresh turkeys in the one available week before Christmas. The large-scale producers do not have the facilities to do this, nor would they consider building them for use on only a few days of the year. It takes more than 4,000 turkeys to supply the seasonal hand exactly what is a traditional farm fresh turkey because we had failed to make the Ministry aware there are two types of fresh turkey, a belief borne out by a Ministry Press statement received on January 27.

While being an ardent supporter of the EEC, I—and probably millions of housewives—do not believe it was ever intended to put an end to one of our British traditions. If Whitehall does not accept it will, I would challenge its officials to ask the opinion of any of its own field staff on this issue.

Derak Kelly, Springate Farms, Ricknacre Road, Dunsbury, Essex.

Clydebank

From Mr. John W. Lewis and The Rev. Harold S. Clarke.

Sir—Marathon (Clydebank) has had a reprieve. The circumstances of the reprieve highlight the problems and opportunities of the area. More than a fair share of the unemployed live here; there are skilled people among the unemployed; there is land available for development; the area has a will to succeed, and has now demonstrated some of its potential.

Marathon has been in Clydebank for four years and during this time the community has enjoyed the fruits of good relations between management and unions. They have not been troubled years but determination and frankness on both sides have helped to keep disagreement in perspective. Marathon demonstrates how profitable industry can be on Clydebank, and how the workforce can adapt to new technology and efficient working practice without resorting to major strikes.

We would like to point out that this is not an isolated example. Other large companies are also enjoying this new atmosphere. Managements are looking for and

finding work in unusual markets. Unions are co-operating in new developments and encouraging companies to invest with cash for plant and training facilities for the young unemployed.

This reflects a growing confidence within Clydebank which we feel should be more widely recognised and could be further improved by confidence from outside.

John W. Lewis, Harold S. Clarke, Industrial Section, Clydebank Christian Action Group, 5, Drumry Road, Clydebank.

Daylight saving

From Miss K. Campbell.

Sir—In his letter on daylight saving (January 26), Mr. J. B. Whiting points out that some French territory, and nearly all Spanish and Portuguese, lies to the west of the Greenwich meridian.

But nearly all France, and the whole of Spain, Portugal, lie to the South of any U.K. latitude so that they would never endure those dark, dark mornings which would be our lot if single summertime were reintroduced, or double summer time imposed, in winter.

Would we not be merely transferring the dark bit of the day from one end to the other, with no daylight saving, and to the detriment of our contentment and well-being?

Miss K. E. Campbell, 46, Huron Road, S.W.17.

Grocery index

From Mr. G. Harris.

Sir—Living and working in provincial France, I have found it interesting and instructive to compare the monthly FT Grocery Index prices with those for purchases here. With the warning that prices here are undoubtedly lower than in Paris, and that there must be a significant factor of error in taking one sample instead of averaging 11 as in the FT, the figures for March, 1975, and December, 1975, may be of interest.

In this period of nine months French prices have increased by

only 5.0 per cent in France but 19.5 per cent when converted to sterling, reflecting the falling value of the pound. In the same period the English prices have increased by 16.4 per cent.

So that French prices which were 80 per cent higher than English in March are similar at 85 per cent higher in December, 1975. Details of the individual lines for December, 1975, are—

	English	French
Dairy produce	108.55	155.5
Sugar, tea, &c.	44.71	91.6
Bread, flour, &c.	64.95	118.4
Preserves, &c.	21.31	30.7
Sauces, pickles	11.31	23.9
Canned goods	39.07	70.4
Frozen goods	31.31	119.9
Meat	142.41	299.4
Fruit & veg.	90.20	89.5
Non-foods	44.99	101.1
Total	596.73	1,101.5

It should be borne in mind that the pattern of eating and drinking is different: for instance, breakfast cereals here are unusual and expensive, whereas in contrast there is no mention of wine in the FT list.

Geoffrey T. Harris, 35, la Turlurette, 58160 Nièvre, France.

Control it

From The Director of Sales, Honeywell Residential Division.

Sir—I would hate to think that the next phase of the Government's "Save It" campaign will need to rely on nagging wives to achieve greater energy saving, as Ray Dafter reported in your feature on Energy Conservation (January 23). Surely the answer is not constant nagging to "turn it off" and "turn it down," but a proper control system to do it automatically. Now that we are rapidly getting ourselves sensibly insulated, the time has come to consider whether we are making the best use of our central heating systems in the first place.

Ironically, some of the best heating controls are to be found in newer council homes, because they are built with a view to

running costs instead of just initial price. It is time private builders and house buyers adopted a similar outlook.

It makes energy sense to control room temperature closely and shut off heating entirely when homes are unoccupied. But why use nagging wives when automatic control will do it better, and without creating battered husbands?

David S. Thornton, Charles Square, Brocknall, Berkshire.

Measuring in pax

From Mr. T. Arthur.

Sir—Mr. Peter Mitchell (January 23) extends the suggested alterations in accounting practice to all elements of the economy with exemplary logic. Unfortunately, however, he has omitted to take his logic to a conclusion.

If he worked in paxes instead of pounds, we could, by Mr. Mitchell's definition, have no inflation of paxes. The pax would be as good as gold. The changes required to achieve this, however, are identical to those required to make the pound as good as gold. Governments inflate for reasons, and these reasons will not miraculously disappear on the introduction of the pax. They would therefore try and inflate the pax.

So why not just stop inflation of the pound? It's simpler that way!

T. G. Arthur, 5, Yateley Road, Edgbaston, Birmingham.

Unbeatable

From The Chairman, Silk Engineering (Derby).

Sir—Mr. Tether (January 27) draws, I believe, the wrong conclusions when he ascribes the demise of the British motor cycle industry, inter alia, largely to the "Unbeatableness of the Japanese."

If the Japanese are "unbeatable," then there are three remedies open to us: (a) to surrender, (b) to avoid the war, or change the rules, (c) to learn to fight in such a way that we can win the war. Why is there so much defeatism to-day that

no-one believes option (c) is possible? We at Silk are making all-British motor cycles to-day and in our very small way are at least trying to win a skirmish—of course this is one hell of a struggle, but at least we are trying.

What is better about the Japanese? Their governmental system and its effect on the industry? Some comparisons can be odious. Their management? Surely we can learn to manage. Their investment? Money is available here—let's make it profitable and attractive to invest creatively. Their worker dedication? No British workers who are properly led and inspired—so let's get the leadership right.

A national leader once said—"This house is not interested in the possibility of defeat." What on earth has made us so defeatist now? We have immense energy, enthusiasm and ability in this country, but we won't use them by being defeatist.

What we need is a national will to win—a national leader who will talk about how we set about winning—a Press outlook that instead of talking of how we can avoid losing to an "unbeatable" enemy, inspires the actions required to win.

H. B. Cundall, Darley Abbey, Derby.

Cleaner crude

From Mr. F. Zonneville.

Sir—Mr. Lyett on "Total Energy Schemes" (January 19) points out that residual oil is not suitable as a fuel for gas turbines. Contaminants present in residual oils and crude oils do make them unsuitable as gas turbine fuels. These contaminants, however, can be removed or their effects neutralised by water washing and injection of chemicals. We have plants in operation designed to make these types of fuel suitable for gas turbines.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Over bids and mergers

Arrival of two offers late on Thursday brought some relief had up to then been a very quiet week in the bids and mergers. Following Coated Metals' January 5 announcement, a bid approach from major private steel stockholders, the latter has now produced a cash offer at the forward price of 85p for each CM share, valuing the whole at almost £1m. Rosedale (JW Investments), a private company controlled by Mr. J. Walker, a joint chairman of CM, intends to accept in respect of a near-15 per cent. C. Walker's intention is to continue the CM business any major changes and it is expected that there will be no changes created at CM. However, the CM Board stated that it was rejecting the offer.

R. L. Hersov has informed light engineering concern amp that he intends to make a cash bid of 50p per share. Ordinary capital through a non-resident company owned by himself, Mr. Hersov, who recently purchased 3 per cent. of the Tilley equity, is himself a non-resident, offer will require the necessary U.K. Exchange Control. The Tilley directors have irrevocably undertaken to procure acceptances for their own and family shares, which, in aggregate, represent an approximate 20 per cent.

sharp rise of 12 to 36p in the shares of Sandhurst, which supplies stationery and allied products and services, chemical products, prompted the company to go on Wednesday evening that preliminary discussions, which could lead to an offer. With Sandhurst shares the week at 38p, the company is capitalised at £8.8m.

Following consultation with their financial advisers, the directors of Western Pharmaceuticals have decided to recommend an offer from Dixon's Photographic. As previously

announced, irrevocable acceptances have already been given in respect of 52 per cent. of the Weston equity. In the wake of favourable week-end Press comment on the merger situation, Weston recorded a fresh advance on the week of 12 at 78p, while Dixon's moved ahead to show a week's rise of 10 at 78p to value the share-exchange terms at 83p per Weston share and the whole equity at £11.6m. This far exceeds the cash alternative value of £8.5m.

Company bid for	Value of bid per share	Market price	Price before bid	Value of bid (£m)	Final Acc'ts date
Tilley Lamp Trance	50 ^d 7 ^d	49 ^g 7 ^d	38	0.2 ^d 7 ^d	Mr. R. L. Hersov - Cent. & Sheerw.
Wabnsley (Bury) Washington Inv.	60 ^d 3 ^d	59 3 ^d	37	1.6 ^d 3 ^d	Beloit Cpn. - Elect. and Genl. Inv.
West Nile Weston Pharm.	485 390	330 7 ^d	2.9	11.6	James Finlay - Dixons Photo.

* All cash offers. b Cash alternative. c Partial bid. d For capital not already held. e Combined market capitalisation. f Date on which scheme is expected to become operative. g Based on 30/1/76. h Based on 29/1/76. i At suspension. j Bid.

Company bid for	Value of bid per share	Market price	Price before bid	Value of bid (£m)	Final Acc'ts date
Anglo-Ecuadorian Oilfields	75 ^d 7 ^d	64	6.75 ^d	0.8	Childe Petroleum 9/2
Ashbourne Invs.	20b 41 ^d	41 ^d	—	—	Cent. & Sheerw. - Trust
Bank Bridge	41 31	51	0.8	—	Tranwood
British Benzol	39 ^d 2 ^d	38	2.5 ^d	—	Tranwood
Crown Bros.	28 ^d 1 ^d	18	1.5 ^d	—	Dana Corp. 9/2
Cessnock	260 280	240	1.9	—	McLeod Russell
Chaddeley Invs.	61 ^d 4 ^d	91	0.15 ^d	—	Mc. Ann. Four
Chancery Cons.	39 37	27 ^d	5.1	—	Litham
Clifton Invs.	41 ^d 1 ^d	41	0.15 ^d	—	Aries Hldgs. 29/1
Coated Metals	83 ^d 4 ^d	90 ^g	7.7	—	Walker (C.)
Clever Dairies	187 ^d 12 ^d	92	10.0	—	Milner Foods
Consolidated Tea	351 340	360	4.2	—	McLeod Russell
Court Hotels	50 ^d 1 ^d	32	1.5 ^d	—	SSO Secs.
Emu Wine	142 ^d 1 ^d	133	1.4 ^d	—	Bell Bros.
First Talisman Inv.	61 ^d 7 ^d	7	0.15 ^d	—	Holdings Energy Finance
Great Boulder	74 ^d 7 ^d	70	45.3 ^d	—	Western Mng.
Greenwood & Bailey	38 38 ^d	38 ^d	0.3	—	York Trust
Gresham Hotel	39 ^d 1 ^d	35	0.5 ^d	—	Tanner S. Hds.
Highgate Optical	197 196	124	11.4	—	Barratt Devs.
James (H. C.)	210 ^d 20	160	7.6	—	Granada
Robinson Rentals	429 ^d 420	380	6.94	—	Onde Meester
SA Distilleries	435 430	350	1.2	—	Pat. Indus.
Tenth Ridge	30 28	15	0.9	—	Charles Hurst
Thompson-Reid	30 28	15	0.9	—	Charles Hurst

Prices in pence unless otherwise indicated.

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PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Allied Textile	Sept. 27	1,507 (2,003)	12.6 (14.5)	5.279 (4.946)
Assicur Trust	Apr. 30	749L (403)L	—	Nil (0.2)
B. Burget	Sept. 30	107 (81)	5.3 (1.5)	0.284 (0.258)
Bindu-Permagaz	Oct. 31	943 (1,020)	6.3 (6.4)	2.36 (2.21)
British Sugar	Sept. 23	7,548 (14,351)	38.8 (62.7)	8.446 (7.514)
Bullough	Oct. 31	1,219 (1,208)	11.7 (12.0)	4.561 (4.274)
C. Corp.	Sept. 30	73 (38)	1.3 (1.1)	1.37 (1.3)
Dunford & Elliott	Sept. 27	1,208L (2,089)L	—	14.5 (2.3)
Gestetter	Nov. 1	10,568 (10,134)	21.8 (21.3)	3.217 (2.558)
Glass Mover	Sept. 30	202 (180)	3.2 (2.5)	1.351 (1.268)
Hall-Thermotank	Oct. 31	2,845 (2,625)	8.4 (9.2)	2.345 (2.258)
Henlys	Sept. 30	1,880 (2,409)	7.4 (9.2)	5.394 (5.394)
Howard Machinery	Oct. 31	2,026 (4,646)	5.3 (10.7)	2.03 (2.03)
Leyland	Sept. 27	424 (980)	2.3 (7.2)	1.108 (1.108)
Lokale Universal	Sept. 30	1,020 (1,272)	8.8 (11.3)	4.771 (5.533)
Y. J. Lovell	Sept. 30	1,362 (1,263)	10.7 (9.6)	2.11 (1.978)
John Michael	Jan. 25	350L (701L)	—	Nil (Nil)
Oliver-Poll	Mar. 31	89 (29)	31.3 (4.9)	Nil (5.025)
Pat. Indus.	Sept. 30	382 (271)	9.2 (11.1)	5.38 (6.883)
Sidlaw Industries	Sept. 26	555 (800)	6.3 (6.6)	4.889 (4.889)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
W. G. Allen	Sept. 30	219 (181)	0.867 (0.867)
James Austin Steel	Sept. 30	445 (582)	2.0 (2.0)
H. J. Baldwin	Oct. 31	43 (27)	—
Peter Black	Oct. 31	641 (514)	2.0 (1.4)
Concrete	Sept. 30	683 (373)	1.3 (1.005)
Davy International	Sept. 30	3,233 (1,463)	2.1 (1.9)
David Dixon	Sept. 27	121 (117)	0.875 (0.875)
Fashion & General	Sept. 30	89 (76)	1.6 (1.508)
Ferguson Industri.	Nov. 30	336 ^g (703)	—
G. R. Francis	Sept. 30	66 (103)	—
Jervons Cooper	Oct. 31	157 (—)	—
Johnson Constn.	Sept. 30	60 (32)	0.45 (0.45)
Kwikform	Oct. 25	486 (605)	1.4 (1.4)
Macarthy Pharms.	Oct. 31	1,224 (737)	1.0 (0.83)
Manson Finance	Oct. 31	259 (219)	1.3 (1.5)
ML Holdings	Sept. 30	250 (243)	1.015 (1.015)
Plessey	Dec. 31	23,024 ^g (30,177)	2.0 ^g (2.0)
Reed International	Dec. 31	26,800 ^g (67,000)	—
Reed & Mallik	Oct. 31	142 (184)	1.05 (1.05)
Henry Wigfall	Oct. 31	958 ^g (805)	—

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † For nine months.
‡ Second interim. § For 26 weeks. ¶ For 61 weeks. † Loss.

Rights Issues

J. and H. B. Jackson: One-for-ten at 15p each.

Stenhouse Holdings: Two-for-nine at 64p each.

Scrip Issues

Glass Glover Group: One-for-one.

Offers for sale, placings and introductions

Brasilvest SA: Placing 300 Depository shares at \$US10,500 each.

English China optimistic

HIGH THE current year from easy, the English have group should again good account of itself, any man Lord Aberconway, ahead, when things our prospects must be the group is well poised advantage of better

a paper trade, the high held by merchants and the start of the recession seem to have been at levels. Nevertheless, demand for china clay

some signs recently improvement, particularly trading in the first half current year will be very master of marketing time, a second half is forecast

some progress. As a result that the real recovery and a clay demand is not materialise until 1977.

impact of reduced demand products may not even cently felt in 1976: even this is not cat- vided this is not cat-

the division has the y and the efficiency to this situation, and still

building side has a good look for local authority and a fair volume of in planning permission for the housebuilding activ- d there would seem no why it should not con-

prosper.

Aberconway says: liquidity improved by slowing capital expenditure not now required and by strict of working capital after

ture of £2.2m. Liquid re- rose by £2.5m. He ex- difficulty, with moderate venient bank borrowing, using whatever expansion ac- and volume of work may be called for when

improve.

plember 30 last, capital ore still outstanding was including £10.5m. projects on construction or ready to

ce.

year ended September 3, group turnover was (£118.1m.) and the me to £116.5m. (£11.1m.)

ted on January 16 with 7p (20.75p) net dividend.

was appreciable, the share pre-ase seemed likely at half-

or this there were two asons: the demand for ay, normally low in the write-off will enable the accounts months, was better than to show the true position more and the abnormally

le spring and summer was ideal for contracting, be reduced from £4.1m. to £1.62m.

directors' opinion the value of freehold and the approval of the High Court, properties and mineral. The group's ultimate holding

rights exceeds the £88m. shown in the balance sheet.

Meeting, Hyde Park Hotel, S.W., February 23 at 12.30 p.m.

Chairman's statement Page 9

First half upsurge at Maidenhead

PROPERTY investors and developers, house builders, and manufacturers of bricks and tiles, Maidenhead Investments (Holdings) reports turnover up from £2.91m. to £3.75m. for the six months to September 30, 1975, and a jump in pre-tax profits from £174,000 to £273,000.

House sales were well ahead of last year, and this is reflected in the results but margins have

remained under pressure through-

out.

This pressure is expected to continue into the second half as improvements in house prices

in the results but margins have sufficient to offset increasing costs.

Profits for the year to March 31, 1975 were £228,000—the dividend was 0.1314p net per 5p share.

First half profits were struck after loan stock interest of £195,000 (£118,000). Tax took £140,000 (£28,000), and extraordinary credits added £88,000.

The Board has completed a review of assets and feels that in the light of the present un-

certain state of the property and housebuilding market the value of the interests in Ashworth and Steward (Holdings) and E. and L. Berg Homes is overstated in the accounts.

It is proposed, therefore, to write down the investment in subsidiaries from £7.61m. to £4.82m.; a reduction of £2.79m. in respect of Ashworth and £0.49m. in respect of Berg. As a result the amount of goodwill in the consolidated balance sheet will be written down from £3.24m. to £0.48m.

The Board believes it proper to write down the share pre-ase seemed likely at half-

or this there were two asons: the demand for ay, normally low in the write-off will enable the accounts months, was better than to show the true position more and the abnormally

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Chairman's statement Page 9

BIDS AND DEALS

Coated Metals 'No' to Walker

THE DIRECTORS of Coated Metals have rejected the 85p per share cash offer for the company made 24 hours previously by C. Walker and Sons, a private unquoted steel stockholding company.

Of the offer, which places a total value on the company of just under £1m., the directors, through their financial advisers (Morgan Grenfell), say that they will not recommend this offer to shareholders and will not accept it in respect of their own holdings.

They intend to write to shareholders as soon as possible following receipt of the formal offer documents.

The formal documents, also issued yesterday, reveal that J. W. Rosedale Investments, a private company controlled by the chairman of C. Walker, Mr. J. Walker, intends to accept the offer in respect of its holding of 14.83 per cent. of the share capital. The 85p per share cash offer represents a premium of 25 per cent. over the price of Coated on December 19.

In its last financial year, to May 31, 1975, C. Walker produced an

unaudited pre-tax profit of £2.78m.; this compares with £5.1m. in the previous 12 months and £3.5m. in 1972-73. The group had net tangible assets of £7.7m. at the time of the last audited accounts at May 31, 1974.

Coated incurred a pre-tax loss in its last financial period to May 3, 1975.

The controlling shareholder in Sherwood Starr Gold Mining, Dr. F. A. Zoeller, has sold his entire holding to Mineralmet SA, a Swiss company wholly owned by him for £1,250,000 equal to £70.133 or 114p per share.

The companies have agreed a scheme of arrangement whereby, subject to approval of SS shareholders, the offer will be effected (or the equivalent in the appropriate currency) in cash for each share of 50 cents in SS.

Consideration, which is the same as paid to Dr. Zoeller, is equivalent to the estimated break-up net asset value after expenses of SS consist mainly of an investment portfolio, approx- imately 14.7 per cent. by value of which is invested in U.K. securities, which because SS is incorporated in Rhodesia are restricted. Shareholders holding 87.8 per cent. are resident outside Rhodesia, including 11.2 per cent. in the U.K.

If the scheme is implemented SS will be put into voluntary liquidation and its assets transferred to Mineralmet.

Consents of the appropriate Government authorities in the U.K. and Rhodesia to the scheme have been obtained.

Bremar stake in Lloyd's brokers

A substantial shareholding in Lloyd's brokers Pitman and Deane has been acquired from Brentnall Beard by Bremar Holdings, an international merchant bank.

This stake will provide a direct Lloyd's outlet for the subsidiary Bremar Insurance Services—most of the latter's directors are joining the Pitman Board.

The day-to-day handling of Pitman's Lloyd's business will remain in the hands of the Brentnall Beard group's staff.

Bremar Insurance, with group branches and associates in a number of overseas countries, is planning to attract additional overseas business to Lloyd's.

Hanson £0.6m. share sale

Hanson Trust, the industrial building company with interests in housing, materials, construction equipment and industrial services, has sold 1.44m. shares in Charrington Gardner Lochet for a little under £600,000. CGL closed last night at 84p, unchanged on the day's sale, reducing Hanson's holding to around 16 per cent. of the share capital.

A spokesman for Hanson emphasised that the sale of part of the CGL holding was not for liquidity reasons since, according to the latest balance sheet, the company had cash and deposits of £22.4m.

FIRST TALISMAN

The Energy, Finance and General Trust offer for the Ordinary Capital of First Talisman Investment Company has been accepted in respect of 1,558,613 shares (75.75 per cent) and has become unconditional. It has now closed.

R. G. Vernon and A. A. Cassidy have resigned from the Board of FTIC.

CHANCERY CONSOL.

Acceptances of the Arbutnot Litham Holdings offer for Chan- cery Consolidated have been received for 22.5m. shares (includ- ing 11.6m. new shares issued under the one-for-one capitalisa- tion issue) which, with the 435,350 owned by a wholly-owned sub- sidiary of ALH prior to the offer and the 435,350 issued in respect of those shares under the capitalisa- tion, represent 92.42 per cent. of CC's share capital. The sepa- rate underwritten cash offer made on behalf of Cazenove and Co.

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WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Up 6.53 in record volume

BY OUR WALL STREET CORRESPONDENT

THE ADVANCE continued in record volume on Wall Street today, attributed largely to lower interest rates and better-than-expected U.S. Corporate earnings statements.

The Dow Jones Industrial Average moved up another 6.53 to 975.28, making a rise of 21.31 on the week, while the NYSE All Common Index, at \$33.55, gained 44 cents on the day and 98 cents on the week. Twice as many issues gained as declined, while the volume surged ahead

3.71m. shares to an all-time record of 38.51m. The previous record was 38.45m, set on January 15, 1974.

First National City Bank contributed to the early enthusiasm by cutting its prime interest rate by 1/8 per cent, to 4 1/2 per cent—its lowest level since April of 1973.

Getty Oil jumped another 5 1/2 to \$174 on a "substantial increase" in uranium ore reserves on an Australian mine.

Tyler gained \$1 to \$27 1/2 on a quarterly dividend of 20 (15)

cents a share. Bethlehem Steel picked up \$1 1/2 to \$41 1/2.

The American SE Market Value Index moved up 1.22 to 96.84, making a rise of 2.67 on the week.

Canada up again

All sectors again made headway in active trading on Canadian Stock Markets yesterday.

The Industrial Share Index rose 2.05 to 187.53, Golds 2.08 to 281.74, Base Metals 1.25 to 81.09, Western

Oil 1.54 to 210.89, Utilities 0.97 to 137.33, Banks 2.25 to 297.93, and Papers 1.73 to 117.62.

OTHER MARKETS

PARIS—Oils led market higher, following oil traces in Mer d'Iroise. But Hotels and Metals remained weak, while Constructions, Stores and Chemicals were mixed. Foods rose.

Americans higher, Germans and Dutch steady, International Oils and Golds mixed, Coppers steady.

BRUSSELS—Sizeable gains in fairly active trading.

Gold Mines mixed, but most other Foreign stocks moved higher.

Petrobras rose 190 to 3,970 on an order for 200 scrip issue.

AMSTERDAM—Firm in active trading, after improved third-quarter figures from KLM, which jumped 7 1/2 to 14.35.

Dutch Industrials strong. State Loans also firm.

OSLO—Industrials higher. Shipping quiet. Banks and Insurance barely steady.

VIENNA—The market closed practically unchanged.

COPENHAGEN—Mixed in active trading.

MILAN—Irregularly higher, aided by hopes of a solution to Italian Government crisis.

SWITZERLAND—Actively higher with interest centred mainly on major Banks and Financial Institutions firm, small gains in Industrials.

Dollar stocks rose sharply in very active trading. Dutch Industrials steady, Germans generally firmer.

GERMANY—Higher on strong demand from Domestic and Foreign investors.

Banks gained up to DM4.60, Chemicals and Electricals up to DM3.20 and Motors and Engineering firms up to DM3. Other sectors firm.

TOKYO—Higher, with recently sold Blue Chips and large capital issues gaining ground over a wide front. Volume 390m.

STEELS rose widely under lead of Nippon Steel, up 35 to 1,187, in anticipation of a rise in export prices.

HONG KONG—Sharply higher in heavy trading.

AUSTRALIA—Generally firm. Financials led, with a featured Commonwealth Bank share up at an all-time peak of 18.50.

Peko-Wallend rose 18 cents to 4.40 and Queensland Mines 15 to 2.40.

JOHANNESBURG—Little changed. Gold shares and Financials mixed.

Indices

NEW YORK

DOW JONES AVERAGES

Close	High	Low	Open	Change
975.28	975.28	975.28	975.28	+6.53
33.55	33.55	33.55	33.55	+0.44

STANDARD AND POORS

U.S. STOCK INDICES

Jan. 30	Jan. 29	Jan. 28	Jan. 27	Jan. 26
112.10	112.10	112.10	112.10	112.10

STOCK AND BOND YIELDS

Jan. 30, 1975

10-yr. Govt. Bond	5-yr. Govt. Bond	3-yr. Govt. Bond	1-yr. Govt. Bond	10-yr. Corp. Bond
11.75	11.75	11.75	11.75	11.75

FRIDAY'S ACTIVE STOCKS

Change

Stock	Change
IBM	+1.25

TORONTO

INDUSTRIAL INDEX

Jan. 30	Jan. 29	Jan. 28	Jan. 27	Jan. 26
112.10	112.10	112.10	112.10	112.10

MONTREAL

INDUSTRIAL INDEX

Jan. 30	Jan. 29	Jan. 28	Jan. 27	Jan. 26
112.10	112.10	112.10	112.10	112.10

JOHANNESBURG

INDUSTRIAL INDEX

Jan. 30	Jan. 29	Jan. 28	Jan. 27	Jan. 26
112.10	112.10	112.10	112.10	112.10

RACES

BY DOMINIC WIGAN

Winter Melody—

if frost allows

WITH TODAY'S Windsor

programme lost to the weather

and the top class Doncaster card also

in doubt. Ayr may be the only course

to stage racing this afternoon.

Prospects there are bright

provided that the overnight frost

expected on the course thaws out

before the programme gets

under way with the Sorn

Novices' Chase at 1.45.

The principal event at Ayr is

the 2 1/2 mile Bass Special Chase

in which the top class Irish

veteran Skymas will be trying to

concede from 1915 to 3510 to his

five rivals—Canadian, Prize

Crew, Jack Stein, Prehistoric and

Bar Rock.

Skymas, twice a winner over

the course and distance, has run

well on both his appearances this

season.

After running the latter

lengths in the 2 1/2 mile to 1 1/2

mile to the two-mile McAiney

Challenge Cup here at the be-

ginning of this month, he went

up to finish a five-length runner-

up to Tingle Creek in Sandown's

Express Chase over the same

distance a week later.

There, he might have given his

top class rival, from whom he

was receiving only 4lb, a fierce

struggle had he not taken a

good deal of out of himself with

Hurdle.

If—and it seems unlikely—

Doncaster is given the go-ahead

after a 7.30 a.m. course inspec-

tion, backers may do worse than

take a particularly prize-winning

weight-weighted Even Stewie in

the afternoon's principal event, the

John Smith's Great Yorkshire

Chase.

Neville Crump's Even Money

gelding has been maintaining

smart form recently, and he put

up a particularly prize-winning

performance last time out get-

ting the better of Baltizar, to

whom he was conceding over a

stone, in Wetherby's Keswick

Chase on January 20.

Tiepolino, who has made the

long trip north from the

Trent, is a promisingly prize-winning

and unbeaten hurdler. Peterhof,

in the Brewers Four-Year-Old

Hurdle.

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The Financial Times Saturday January 31 1981

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مَكَانُ صَدِّ الْأَصْلِ

STOCK EXCHANGE REPORT

Strong Gilts unrestrained in absence of tap stocks

Equities move ahead in sympathy—Index gains 8.7 to 417.4

Account Dealings Dates

Option
First Declared Last Account
Dealings Dealings Day
Jan. 12 Jan. 22 Jan. 23 Feb. 3
Jan. 26 Feb. 5 Feb. 6 Feb. 17
Feb. 9 Feb. 19 Feb. 20 Mar. 3

* New time "dealings" may take place from 9.30 a.m. two business days earlier.

Another strong performance by Gilts-edged securities provided the highlight of stock markets yesterday. Already a good market on the 1 per cent. reduction in Minimum Lending Rate to 10 per cent., which was above most expectations, and the 1 per cent. cut to 5 per cent. in a U.S. Prime Rate, gilts were given an additional boost in the "after-hours" by the continuing absence of any new tap stocks. Barren gains ranging to a point in long-dated stocks were extended to 2 points while short-dated issues improved by a further 1 1/2 and final rises ranged to 1 1/2. As on Thursday, rises in the latter maturities reflected a shortage of stock. However, there was a brisk trade in the shorts. The Government Securities index moved up 0.88 more to a new 1975-76 peak of 65.21, for a rise of 2.11, or 3.3 per cent., on the week.

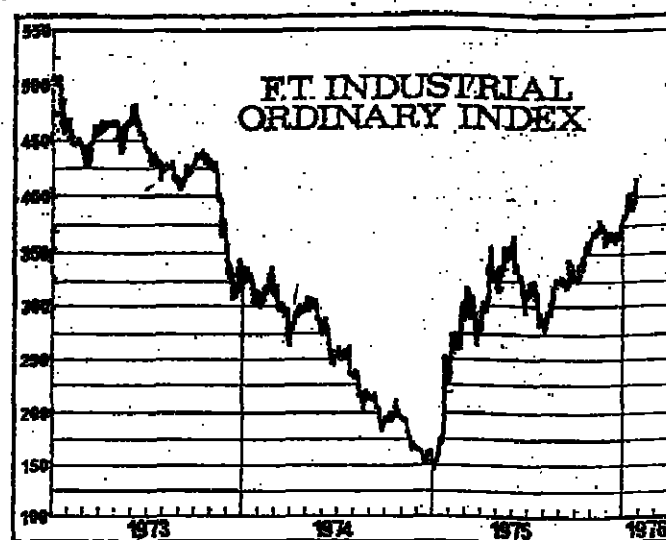
Despite being overshadowed by British funds, equity markets put on a good performance. A notably good business developed in the leaders and, with sellers still noteworthy for their absence, final quotations were around the 1 per cent. rise. The FT 30-share index closed 8.7 up at a fresh 1975-76 peak of 417.4, making a rise of 17.6, or 4.4 per cent., on the week. Numerous secondary issues were reflected in the 71 majority of rises over falls in FT-quoted Industrials and a 1.5 per cent. rise in the FT-Actuaries index to 72.64, for a 3.85 per cent. gain on the week. Official mark-ings of 8.455 compared with 7.662 yesterday and 7.363 a week ago.

Institutional demand coupled with a fair volume of buying on arbitrage account pushed the investment currency premium up to 113 per cent. below a recent softening to 115 per cent. (for a rise of 11 on the day. Yesterday's SE conversion factor was 0.3972 (0.6002).

Banks dip and rally

The fresh reduction in Minimum Lending Rate to 10 per cent. brought a swift reply from the big four banks, which cut their base lending rates to that level. The moves prompted a rally in leading banks, which recovered early falls of around 5 to close without alteration on overnight levels. Overseas issues continued to be dominated by Hongkong and Shanghai, which rose 15 more to 363p on Far Eastern advice, for an advance of 37 on the week; the preliminary results are due February 10. The trend towards cheaper money and the buoyancy of gilts triggered off a fresh advance in discounts: in a thin market, Allen Harvey and Rose rose 20 to 480p, while Gerard and National added 15 to 310p and Cator Ryder improved 12 to 292p. Union hardened 10 to 365p as did Alexander's to 240p. Among Merchant Bankers, Westerns were wanted at 147p, up 6, as were Goode Durrant and Murray, 3 dearer at 270p; the latter's results are due Thursday.

San Alliance fared best in firm insurance, rising 12 to 470p. Press comment on the proposed "rights" issue helped Stenhouse harden 4 more to 88p. Brewery improvements were previously to 2. Arthur Guinness, at 141p, retrieved a penny of the previous day's loss of 3 which followed news of the 5p per pint tax increase imposed in the Eire Budget. Elsewhere, favourable Press comment drove buyers' attention to Distillers, which improved 4 to a 1975-76 high of 152p.



Mixconcrete remained popular in Buildings, rising 8 to 74p for a 12-day gain. Big rumour, subsequently denied, helped Tunnel B to close 3 better at 202p, after 206p. Fairview Estates were notable for a rise of 8 to 88p in a thin market. Parker, however, closed a fraction easier at 121 on the first-half loss.

After reaching an all-time peak of 354p, ICI settled at 353p for a net rise of 10 the preliminary figures are due February 19. Elsewhere, Fisons advanced 13 to 417p and Hickson and Welch improved 7 to 325p. Storey Bros. were also notably better at 65p, up 6.

Television Contractors were better following Press comment. London Weekend Publishing 33 higher at 390p in a thin market.

"Gussies" A featured firm Stores with a rise of 7 to 25p. Paper and Printing, pushed on 4 and 5 respectively. Secondary issues closed with widespread

gains following another reasonable trade. Among firm Electricals, Thorne scored an advance of 11 at 235p, while Raytheon Parsons ended 5 higher at 110p for a rise on the week of 18. EMI, 347p, also added 5 to 88p in a thin market. GEC finished 2 firmer at 150p, after a 1975-76 peak of 162p. Continental demand and the firm investment premium left Philips Lamp 2 higher at 510p (515p) where, MK Electric improved 5 to 53p and Pve Holdings 4 to 60p, while Cray Electronics put on 2 to 29p. Wholesale Fittings held steady at 89p despite the half-year profits contraction.

Hawker met with a revival of demand, gaining 10 to 410p, while GKN advanced 5 further to 310p and Tube Investments 4 to 489p, after 350p. John Brown slipped initially to 65p, but on the forecast of longer-term strength rose to 77p before closing a net up at 78p. Mining Supplies 5 higher to 74p. Westland were active and 75p

dearer at 61p, while similar gains were made by T. W. Ward, 62p, Duford, 137p and West, 59p. Dumford and Elliot recovered 3 to 45p, but Howard Machinery slipped 4 more to 47p, the latter still influenced by the lower profits. Coated Metals eased 3 to 50p, the Board has quickly rejected the 85p cash offer from C. Walker.

RHM, still reflecting trading news, hardened 13 more to 54p, while British Sugar responded to Press comment on the results with a rise of 3 to 350p, and Manbury and Gordon rallied 13p to 131p on the chairman's encouraging statement. Small buying in a thin market raised Bateys of Yorkshire 8 to 34p. After falling to 38p on the interim report, Fitch Lovell rallied to close only a penny cheaper on balance at 38p.

Grand Metropolitan hardened 3 to 88p in Hotels and Caterers.

Hestair good

Miscellaneous Industrial leaders made fresh headway during a good business. Unilever rose another 10 to 454p and Metal Box added 6 more to 286p, while Bechem moved up 7 to 359p and Bowater 5 to 194p. Elsewhere, the chairman's forecast of a substantial profit increase helped Dunlop to rise 6 to 89p. Tilly Lamp were lifted 10 to 46p on news of the 30p per share cash offer to be procured by Mr. E. J. Tilly. Paper and Printing improved 4 further to 111p awaiting Monday's interim results. Still on hopes of a revival of the project, Channel Tunnel moved up 7 further to 51p at 71p. Capes Industries closed prominently higher at 163p, up 14, while Smiths Industries gained 7 to 147p and Carlton Industries 8 to 86p. After Thursday's advance of 18 on the much better-than-expected results, Gesteiner "A" touched extremes of 187p and 180p before closing at 187p on the day. Hong Kong issues showed further strength, Jardine Matheson ended 15 higher at 445p and Wheelock Marden 6 up at 75p.

Against a background of continuing industrial unrest at Chrysler's Linwood, Motors and Distributors managed to make modest headway. Lucas hardened more to 211p, while in bargains, Glasfibre firm, 3, pushed a penny to 21p on the increased earnings.

Burmah top again

Investment recommendations around demand for Associated Paper and Printing, pushed on 4 and 5 respectively. Secondary issues closed with widespread

Brydone, however, lost another 3 to 27p, the receiver of Ambion intends to retain the majority holding in L and B.

Press comment gave added impetus to Burmah which, despite a lull in American interest, came top of the day's active stocks list. The oil company's early trade saw the price rise to 54p, but after late profit-taking the close was a net 7 higher at 50p, up 18 on the week. Burmah's 53 per cent. Loan, 1901-1966, rose 41 more to 2481. Other Oils were overshadowed, but British Petroleum picked up 5 to 300p and Shell 2 to 392p, while Royal Dutch gained 4 further to 2361. In a restricted market, Ball and Colling recovered 7 to 43p.

Property leaders made modest progress during a fair trade, with ITC chairman 3 at 99p, Standard Land 21 at 361p, and English Property 2 at 75p. Land Securities were only a penny harder at 125p. There were some good features among firm secondary issues. Favourable Press comment prompted an advance of 5 to 20p in Joseph Webb, while Intercontinental Properties, on the preliminary statement, closed 8 higher at 50p. Property Security Investment, 64p, and Hong Kong Land, 146p, scored improvements of 7 apiece, while Hammerson "A" moved up 10 to 392p. Duels 52p, recouped the previous day's loss of 2 which followed the reduced interim dividend: the half-year statement is due February 19. A dull expectation was Bernard Stanley, which reacted 7 to 138p on disappointment with the interim report. Incheape, 400p, recouped the previous day's loss of 5 which followed the successful share placed at around 380p per share, after the afternoon fixing before closing unchanged at 400p. The Board's bullish views on second-half prospects brought about an improvement of 2 1/2 to 19p in Williams. Maidenhead Investments cheapened a penny to 24p on the interim results.

Small gains were the order of the day in Shippings after another good turnover. P & O deferred edged forward 11 more to 110p, making a gain on the week of 8. Courtaulds, 2 better at a 1975-76 high of 132p, led Textiles higher. A small demand in a thin market helped John Haggas (Interim figures due February 17) put on 10 to 330p. Bond Street Fabrics hit a penny to 37p ahead of Tuesday's results, but Stoddard "A", with interim figures expected a day later, cheapened that much to 42p.

Pancontinental soar

A good demand left Imps 3 better at 86p in Tobaccoes, Bats, and small sales of gilt-edged stock, were also against the market.

FINANCIAL TIMES STOCK INDEX

	Jan. 30	Jan. 29	Jan. 28	Jan. 27	Jan. 26	Jan. 25	Jan. 24	Jan. 23	Jan. 22	Jan. 21	Jan. 20	Jan. 19	Jan. 18	Jan. 17	Jan. 16	Jan. 15	Jan. 14	Jan. 13	Jan. 12	Jan. 11	Jan. 10	Jan. 9	Jan. 8	Jan. 7	Jan. 6	Jan. 5	Jan. 4	Jan. 3	Jan. 2	Jan. 1	Dec. 31	Dec. 30	Dec. 29	Dec. 28	Dec. 27	Dec. 26	Dec. 25	Dec. 24	Dec. 23	Dec. 22	Dec. 21	Dec. 20	Dec. 19	Dec. 18	Dec. 17	Dec. 16	Dec. 15	Dec. 14	Dec. 13	Dec. 12	Dec. 11	Dec. 10	Dec. 9	Dec. 8	Dec. 7	Dec. 6	Dec. 5	Dec. 4	Dec. 3	Dec. 2	Dec. 1	Nov. 30	Nov. 29	Nov. 28	Nov. 27	Nov. 26	Nov. 25	Nov. 24	Nov. 23	Nov. 22	Nov. 21	Nov. 20	Nov. 19	Nov. 18	Nov. 17	Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11	Nov. 10	Nov. 9	Nov. 8	Nov. 7	Nov. 6	Nov. 5	Nov. 4	Nov. 3	Nov. 2	Nov. 1	Oct. 31	Oct. 30	Oct. 29	Oct. 28	Oct. 27	Oct. 26	Oct. 25	Oct. 24	Oct. 23	Oct. 22	Oct. 21	Oct. 20	Oct. 19	Oct. 18	Oct. 17	Oct. 16	Oct. 15	Oct. 14	Oct. 13	Oct. 12	Oct. 11	Oct. 10	Oct. 9	Oct. 8	Oct. 7	Oct. 6	Oct. 5	Oct. 4	Oct. 3	Oct. 2	Oct. 1	Sep. 30	Sep. 29	Sep. 28	Sep. 27	Sep. 26	Sep. 25	Sep. 24	Sep. 23	Sep. 22	Sep. 21	Sep. 20	Sep. 19	Sep. 18	Sep. 17	Sep. 16	Sep. 15	Sep. 14	Sep. 13	Sep. 12	Sep. 11	Sep. 10	Sep. 9	Sep. 8	Sep. 7	Sep. 6	Sep. 5	Sep. 4	Sep. 3	Sep. 2	Sep. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Jul. 31	Jul. 30	Jul. 29	Jul. 28	Jul. 27	Jul. 26	Jul. 25	Jul. 24	Jul. 23	Jul. 22	Jul. 21	Jul. 20	Jul. 19	Jul. 18	Jul. 17	Jul. 16	Jul. 15	Jul. 14	Jul. 13	Jul. 12	Jul. 11	Jul. 10	Jul. 9	Jul. 8	Jul. 7	Jul. 6	Jul. 5	Jul. 4	Jul. 3	Jul. 2	Jul. 1	Jun. 30	Jun. 29	Jun. 28	Jun. 27	Jun. 26	Jun. 25	Jun. 24	Jun. 23	Jun. 22	Jun. 21	Jun. 20	Jun. 19	Jun. 18	Jun. 17	Jun. 16	Jun. 15	Jun. 14	Jun. 13	Jun. 12	Jun. 11	Jun. 10	Jun. 9	Jun. 8	Jun. 7	Jun. 6	Jun. 5	Jun. 4	Jun. 3	Jun. 2	Jun. 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	Apr. 30	Apr. 29	Apr. 28	Apr. 27	Apr. 26	Apr. 25	Apr. 24	Apr. 23	Apr. 22	Apr. 21	Apr. 20	Apr. 19	Apr. 18	Apr. 17	Apr. 16	Apr. 15	Apr. 14	Apr. 13	Apr. 12	Apr. 11	Apr. 10	Apr. 9	Apr. 8	Apr. 7	Apr. 6	Apr. 5	Apr. 4	Apr. 3	Apr. 2	Apr. 1	Mar. 31	Mar. 30	Mar. 29	Mar. 28	Mar. 27	Mar. 26	Mar. 25	Mar. 24	Mar. 23	Mar. 22	Mar. 21	Mar. 20	Mar. 19	Mar. 18	Mar. 17	Mar. 16	Mar. 15	Mar. 14	Mar. 13	Mar. 12	Mar. 11	Mar. 10	Mar. 9	Mar. 8	Mar. 7	Mar. 6	Mar. 5	Mar. 4	Mar. 3	Mar. 2	Mar. 1	Feb. 28	Feb. 27	Feb. 26	Feb. 25	Feb. 24	Feb. 23	Feb. 22	Feb. 21	Feb. 20	Feb. 19	Feb. 18	Feb. 17	Feb. 16	Feb. 15	Feb. 14	Feb. 13	Feb. 12	Feb. 11	Feb. 10	Feb. 9	Feb. 8	Feb. 7	Feb. 6	Feb. 5	Feb. 4	Feb. 3	Feb. 2	Feb. 1	Jan. 31	Jan. 30	Jan. 29	Jan. 28	Jan. 27	Jan. 26	Jan. 25	Jan. 24	Jan. 23	Jan. 22	Jan. 21	Jan. 20	Jan. 19	Jan. 18	Jan. 17	Jan. 16	Jan. 15	Jan. 14	Jan. 13	Jan. 12	Jan. 11	Jan. 10	Jan. 9	Jan. 8	Jan. 7	Jan. 6	Jan. 5	Jan. 4	Jan. 3	Jan. 2	Jan. 1	Dec. 31	Dec. 30	Dec. 29	Dec. 28	Dec. 27	Dec. 26	Dec. 25	Dec. 24	Dec. 23	Dec. 22	Dec. 21	Dec. 20	Dec. 19	Dec. 18	Dec. 17	Dec. 16	Dec. 15	Dec. 14	Dec. 13	Dec. 12	Dec. 11	Dec. 10	Dec. 9	Dec. 8	Dec. 7	Dec. 6	Dec. 5	Dec. 4	Dec. 3	Dec. 2	Dec. 1	Nov. 30	Nov. 29	Nov. 28	Nov. 27	Nov. 26	Nov. 25	Nov. 24	Nov. 23	Nov. 22	Nov. 21	Nov. 20	Nov. 19	Nov. 18	Nov. 17	Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11	Nov. 10	Nov. 9	Nov. 8	Nov. 7	Nov. 6	Nov. 5	Nov. 4	Nov. 3	Nov. 2	Nov. 1	Oct. 31	Oct. 30	Oct. 29	Oct. 28	Oct. 27	Oct. 26	Oct. 25	Oct. 24	Oct. 23	Oct. 22	Oct. 21	Oct. 20	Oct. 19	Oct. 18	Oct. 17	Oct. 16	Oct. 15	Oct. 14	Oct. 13	Oct. 12	Oct. 11	Oct. 10	Oct. 9	Oct. 8	Oct. 7	Oct. 6	Oct. 5	Oct. 4	Oct. 3	Oct. 2	Oct. 1	Sep. 30	Sep. 29	Sep. 28	Sep. 27	Sep. 26	Sep. 25	Sep. 24	Sep. 23	Sep. 22	Sep. 21	Sep. 20	Sep. 19	Sep. 18	Sep. 17	Sep. 16	Sep. 15	Sep. 14	Sep. 13	Sep. 12	Sep. 11	Sep. 10	Sep. 9	Sep. 8	Sep. 7	Sep. 6	Sep. 5	Sep. 4	Sep. 3	Sep. 2	Sep. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Jul. 31	Jul. 30	Jul. 29	Jul. 28	Jul. 27	Jul. 26	Jul. 25	Jul. 24	Jul. 23	Jul. 22	Jul. 21	Jul. 20	Jul. 19	Jul. 18	Jul. 17	Jul. 16	Jul. 15	Jul. 14	Jul. 13	Jul. 12	Jul. 11	Jul. 10	Jul. 9	Jul. 8	Jul. 7	Jul. 6	Jul. 5	Jul. 4	Jul. 3	Jul. 2	Jul. 1	Jun. 30	Jun. 29	Jun. 28	Jun. 27	Jun. 26	Jun. 25	Jun. 24	Jun. 23	Jun. 22	Jun. 21	Jun. 20	Jun. 19	Jun. 18	Jun. 17	Jun. 16	Jun. 15	Jun. 14	Jun. 13	Jun. 12	Jun. 11	Jun. 10	Jun. 9	Jun. 8	Jun. 7	Jun. 6	Jun. 5	Jun. 4	Jun. 3	Jun. 2	Jun. 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	Apr. 30	Apr. 29	Apr. 28	Apr. 27	Apr. 26	Apr. 25	Apr. 24	Apr. 23	Apr. 22	Apr. 21	Apr. 20	Apr. 19	Apr. 18	Apr. 17	Apr. 16	Apr. 15	Apr. 14	Apr. 13	Apr. 12	Apr. 11	Apr. 10	Apr. 9	Apr. 8	Apr. 7	Apr. 6	Apr. 5	Apr. 4	Apr. 3	Apr. 2	Apr. 1	Mar. 31	Mar. 30	Mar. 29	Mar. 28	Mar. 27	Mar. 26	Mar. 25	Mar. 24	Mar. 23	Mar. 22	Mar. 21	Mar. 20	Mar. 19	Mar. 18	Mar. 17	Mar. 16	Mar. 15	Mar. 14	Mar. 13	Mar. 12	Mar. 11	Mar. 10	Mar. 9	Mar. 8	Mar. 7	Mar. 6	Mar. 5	Mar. 4	Mar. 3	Mar. 2	Mar. 1	Feb. 28	Feb. 27	Feb. 26	Feb. 25	Feb. 24	Feb. 23	Feb. 22	Feb. 21	Feb. 20	Feb. 19	Feb. 18	Feb. 17	Feb. 16	Feb. 15	Feb. 14	Feb. 13	Feb. 12	Feb. 11	Feb. 10	Feb. 9	Feb. 8	Feb. 7	Feb. 6	Feb. 5	Feb. 4	Feb. 3	Feb. 2	Feb. 1	Jan. 31	Jan. 30	Jan. 29	Jan. 28	Jan. 27	Jan. 26	Jan. 25	Jan. 24	Jan. 23	Jan. 22	Jan. 21	Jan. 20	Jan. 19	Jan. 18	Jan. 17	Jan. 16	Jan. 15	Jan. 14	Jan. 13	Jan. 12	Jan. 11	Jan. 10	Jan. 9	Jan. 8	Jan. 7	Jan. 6	Jan. 5	Jan. 4	Jan. 3	Jan. 2	Jan. 1	Dec. 31	Dec. 30	Dec. 29	Dec. 28	Dec. 27	Dec. 26	Dec. 25	Dec. 24	Dec. 23	Dec. 22	Dec. 21	Dec. 20	Dec. 19	Dec. 18	Dec. 17	Dec. 16	Dec. 15	Dec. 14	Dec. 13	Dec. 12	Dec. 11	Dec. 10	Dec. 9	Dec. 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OFFSHORE AND OVERSEAS FUNDS

This service is available to every Company dealt in on
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fee of £35 per annum for each security.

MAN OF THE WEEK

When an
inspector
calls...

...and, no doubt in the eyes of men such as Gerald Caplan usually overstates his welcome. In fact, the Department of Trade inspectors, whose report on Mr. Caplan's London and County Securities has just been published, took only 14 months to complete their analysis of one of the most complex company collapses imaginable. Perhaps to the frustration of Mr. Andrew Leggatt, QC, and accountant Mr. David Hobson the Department of Trade took another nine months before publishing it.

In the past five years the appointment of DOT inspectors to investigate the affairs of companies where there is prima facie evidence of scandal or unnecessary withholding of information, has become a feature of business life. What is uncovered may sometimes, as in the L and C situation, give an insight not only into human frailty, but also into the fallibility of the institutions, particularly the regulatory institutions of our society.

The inspectors themselves can be appointed at the request of shareholders (if enough make a request) at the instigation of the Department of Trade (perhaps as a result of their own secret inquiries under Section 109 of the Companies Act), or by the courts.

Generally a leading accountant and a Queen's Counsel make up the team. They are chosen carefully, not only for their professional competence but to avoid conflicts of interest. Then it is up to the inspectors.

Criticisms

To those who have become accustomed to reading inspectors' reports in recent years, Mr. Leggatt and Mr. Hobson's study of L and C might seem at first sight slightly disappointing, for they have studiously avoided the sort of free-ranging criticisms of individuals made by others in their roles. As the Act implies, they have restricted themselves to examining L and C with the interests of creditors and shareholders in mind.

Those who are curious about the institutions background to one of the most devastating financial collapses of our age, will have to draw their own conclusions.

Thus, they make some recommendations about some changes in company law which they feel to be desirable and suggest that perhaps the Bank of England is best left to regulate banking. But as to the roles of the Bank and the Department of Trade prior to L and C's collapse—a subject of general interest in relation to the whole secondary banking crisis—the inspectors remain silent.

On the Bank, they say it "did not much concern itself with secondary banks" before L and C's collapse, and then carefully avoid elaborating on this judgment. The inspectors clearly felt that to have strayed down these avenues would have widened the scope of their inquiry and either extended greatly the time it would take or led them to run the risk of making judgments which their evidence might not support. To their mind this was clearly not the ground a Companies Act inspection is intended to cover.

Judgments

But if these inspectors have left us to make our own judgments on the wider issues, and chosen to let the story tell itself as much as possible, when they do round on a group or a figure in the situation they are forthright. They make, for example, blunt accusations of fraud against Mr. Caplan, and Mr. A. T. Pepperell.

The detail was painstakingly gathered. Three months of research by a team of up to 24 accountants from Mr. Hobson's firm Cooper's and Lybrand made up the backbone of the inquiry. Then Mr. Leggatt came into his own, a QC briefed to examine the witnesses on oath.

And finally there were two months of double-checking the hundreds of files on each paragraph of the report, each issue, and each personality.

There are those who will argue that the terms of reference in the Companies Act for such inquiries are too narrow. But a wider report would take more time, and already one of the main criticisms is that DOT inspections take too long to prepare. Reading L and C report makes one understand why.

STEWART FLEMING

Court ruling confuses
U.S. election battles

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, JAN. 30.

THE U.S. Supreme Court threw possible large personal political funding provided by the donor campaign into considerable confusion today by partially ruling on the new campaign laws.

There was no consensus of opinion in Washington this evening as to who would principally benefit from the Supreme Court's complex and, at times, apparently contradictory rulings. The lawyers for all the affected candidates and parties were still frantically trying to sort out the implications.

The key points in the court's lengthy findings were:

The removal of the overall ceilings on what a candidate for Presidential or Congressional office may spend on his campaign. For the Presidency, the limits were \$25m. in the election itself and \$11m. in the primaries. For a Senate seat, the split was \$150,000 for the actual race and \$100,000 in the primaries; for a House seat, \$70,000 in each contest.

The court also said that any candidate may spend as much as he likes from his own pocket in pursuit of his political ambitions.

However, the court upheld the limits on individual political contributions as \$1,000 per person per candidate. On the other hand, by omission, it made

with the malpractices uncovered in support of President Nixon's re-election effort in 1972.

As well as introducing much tighter overall control, they would have limited a Presidential aspirant to spending about half the \$60m. plus laid out on Mr. Nixon's behalf four years ago.

However, they were challenged by a disparate coalition headed by Senator James Buckley, the Conservative/Republican from New York, and Eugene McCarthy, the maverick former Democratic Senator and Presidential candidate from Minnesota, both of whom claimed that the new laws discriminated against minority parties.

Both Mr. Buckley and Mr. McCarthy today praised the court's upholding of the First Amendment (the right to free speech), which was invoked by the court in striking out the overall spending ceilings.

Neither major political party had formal comment to make this evening. Governor Wallace, however, said they were glad Federal financing had been maintained, while Senator Jackson praised the retention of the \$1,000 limitation.

Oil consumers reach agreement
on long-term co-operation

BY ROBERT MAUTHNER

PARIS, JAN. 30.

AFTER TWO days of laborious negotiations, 18 of the world's leading oil consumers finally reached broad agreement here to-night on a long-term energy co-operation programme, including a \$7-a-barrel floor price for oil—but only after Canada had been exempted from one of its main provisions.

Although agreement in principle on the floor price and several other important aspects of the programme had been reached at a previous meeting of the governing Board of the International Energy Agency, Canada's refusal to subscribe to the crucial clause on access by members to the exploration and extraction of each other's energy resources had put the whole package in jeopardy.

At the beginning of the current meeting, several countries, including Japan, West Germany, Italy and Denmark, were still making their approval of the \$7 floor price conditional on the U.S. acceptance of the access formula.

The Canadians, who argued

that they could not accept the provision under which members were to undertake not to introduce new discriminatory measures against each other because the Canadian Government did not have the power to force provinces to implement such a directive, refused to modify their fundamental position.

In the end, a compromise was reached under which Canada was granted exemption, subject to an undertaking that its Government would do its utmost to persuade the provincial administrations, such as Alberta, not to introduce any new discriminatory measures.

Even so, several member states emphasised that the formal agreement of their Governments was required before they could implement the programme.

Mr. Thomas L. Enders, the U.S. Assistant Secretary of State for Economic Affairs, expressed the opinion that final approval

of the agreement by these Governments, which were understood to include Italy, Denmark and Japan, was not in doubt; but the pronouncements by official spokesmen of the IEA have proved so fragile in the past that his statement cannot be taken seriously at face value.

The principal elements of the long-term energy co-operation programme, which will be made public in full next week but substantial details of which are already known, are as follows:

1—An obligation by participating countries to strengthen their efforts in the conservation of energy.

2—An agreement to work towards the removal of obstacles which might impede the accelerated development of indigenous energy resources.

3—Measures to stimulate investment in energy development, including a minimum safeguard price of \$7 a barrel for imported oil, a project-by-project approach and a survey for research and development into alternative energy sources.

Sanderson's building group fails

BY MARGARET REID

MR. FRANK SANDERSON, the chairman of Bovis, the company whose abortive plan for a link with P & O created a major City take-over drama in 1972, has seen his private house-building company, Ambion Group, collapse.

Ambion, formerly known as First Eleven, is believed to have been caught in the house-building industry recession. It is understood that Mr. Sanderson asked the National Westminster Bank, Ambion's bankers, to appoint a receiver, Mr. Giles Whitmore, a partner in City accountants Dixon Wilson Tubbs and Gillett, was appointed on January 22.

Mr. Sanderson, who was ousted as chairman of Bovis in a room row after the failure of the plan to merge with P & O (which subsequently took over Bovis in 1974), later became chairman of Lowe and Brydone, the printing concern.

A share stake of 53.6 per cent. in L and B is held by Ambion. The Lowe and Brydone Board said yesterday, in connection with the appointment of Mr. G. H. Whitmore as receiver of the Ambion Group of companies, it is understood that Mr. Whitmore intends to retain the shares within the Ambion Group for the time being.

"In respect of a possible disposal at a later date, the best interests of minority shareholders and employees will be fully taken into account."

Ambion has housing developments in Sidcup, Chalfont St. Peter, Torquay, Glasgow and Edinburgh, as well as a warehouse development in the Midlands. Ambion-Hinceley, owned jointly with Royal London Insurance.

Mr. Whitmore said last night he had asked Mr. Sanderson to continue as chairman of Lowe and Brydone. L and B's shares yesterday closed 3p down at 37p.

Continued from Page 1

Loan rates

to 5½ per cent. in the Swedish bank rate.

The decision by the banks to cut their base rates to 10 per cent. and their deposit rates to 6 per cent. followed the continued reduction in market rates and MLR since the main banks last brought base rate down by ½ per cent. early this year.

It will mean that top-quality corporate customers will now pay 11½ per cent. for overdrafts.

Mr. Alex Dibbs, chief executive of National Westminster, said that it was hoped that the reduction would "play some part in encouraging companies—particularly those engaged in manufacturing industry—to take advantage of the reduced cost of borrowing for productive purposes."

The recessionary pressures in the economy, he said, had been showing signs of easing, "but the demand for lending has not significantly picked up."

In spite of this background, however, there are still signs of some uncertainty at the banks over the impact of the flow of corporate tax and VAT to the Government and how the "situation will stand when the special deposits are due to be paid back on February 10."

The drop in rates was also reflected in a cut in the base rate published by the Finance Houses Association from 11½ to 11 per cent. for February.

Caplan denies allegations
of fraud in DoT report

BY STEWART FLEMING

SOLICITORS FOR Mr. Gerald Caplan, the former chairman of London and County Securities, yesterday issued a strongly worded statement denying allegations of fraud made in a Department of Trade inspectors' report to the company.

The solicitors, Kingzley, Napley, say: "While Mr. Caplan does not contend that he was wholly without fault in certain respects or with the benefit of hindsight, that he may not have erred in matters of judgment, he strongly repudiates that he was at any time fraudulent; that anything he did in relation to the matters enquired into was done for his own enrichment or otherwise than, as he believed, in the best interests of the group with the full knowledge and advice of others."

The solicitors point out that "At the outset of their report, the inspectors state that it was not their job to present an apology for the method of inquiry. It is important, however, that the inspectors' findings be read in the context of those limitations (by which, of necessity, the inspectors were bound) which renders the procedures of such an inquiry unjust and, when given wide publicity, such as has now occurred, the subject of extreme hardship."

The statement goes on: "The

inspectors' views in relation to Mr. Gerald Caplan, were reached under a procedure where the evidence of other witnesses was uniformly given in the absence of any opportunity whatsoever for his legal advisers to cross-examine them on his behalf. He had no opportunity to refer to the voluminous documents.

"As a consequence, the condemnatory findings of the inspectors have been published without Mr. Caplan having been given (through no fault of the inspectors) the protection of those safeguards which are fundamental to a fair trial."

"The statement points out that 'whilst it may be true, as the inspectors state, that the investigation is not conclusive of Mr. Caplan's rights, the publication by the Department of Trade and Industry of the report, following such procedures, may be thought to be conclusive of Mr. Caplan's reputation and to destroy any opportunity for an objective and just view ever being formed.'"

"For this reason, he wishes to stress that had this inquiry been conducted prior to such publicity, subject to the customary safeguards of a court of law, under which the evidence would have been properly tested, different conclusions may well have been reached."

Takeover
critic for
shipyards
Board

By John Wyles,
Shipping Correspondent

MR. ROSS BELCH, who, as president of the Shipbuilders and Repairers' National Association, has actively opposed the Government's shipbuilding nationalisation plans, is expected to be appointed shortly to the committee setting up the State-owned corporation which will run the industry.

Mr. Belch is understood to have agreed to join the British Shipbuilders' organising committee as a part-time member. His decision will be seen as an important sign that the Government is now winning the industry's co-operation on public ownership.

The relative ease with which Mr. Eric Varley, the Industry Secretary, has been able to recruit a leading shipbuilder contrasts with the Government's serious difficulties with the aerospace industry. Legislation nationalising both industries is passing through the House of Commons committee stage.

Lord Bewick, chairman designate of British Aerospace, has so far been unable to persuade any of the aircraft industry's major firms to join his organising committee.

New orders

Mr. Belch's membership of the shipbuilding organising committee is likely to strengthen pressure on the Government to encourage new orders. Admiral Sir Anthony Griffin, British Shipbuilders' chairman-designate, and Mr. J. Graham Day, his chief executive, are privately warning Whitehall that job prospects will be seriously affected by the end of the year unless new business has been brought into the shipyards.

These dangers were emphasised yesterday by Mr. Belch, who, as managing director of Scott Lithgow, the Clydeside group, accused the Japanese of quoting "totally unrealistic prices which would just about cover our cost of materials with little or no allowance for wages and overheads."

At a reception marking the launch of a new drillship from his company's yard, Mr. Belch revealed that an order for a second drillship was in jeopardy because of the "softening" of the oil rig market.

Storms hit
stranded
tanker

By John Wyles,
Shipping Correspondent

DETERIORATING WEATHER conditions are worrying salvage experts trying to rescue the new Onassis Group tanker, Olympic Bravery, which is badly damaged and stranded on rocks at Ushant off North-West France.

Winds of up to force 11 (violent storm) on Thursday night caused further damage to the giant boat, which is insured for \$50m., and a bad weather forecast for the weekend is increasing dangers that the 275,000 deadweight ton ship might break up.

Such a disaster would make Olympic Bravery the most expensive total loss in maritime history, with Lloyd's and other London underwriters bearing more than 40 per cent. of the cost.

The rescue plan, which it is hoped to implement over the weekend, involves pumping compressed air into 14 of the vessel's oil tanks to expel seawater and lighten the ship.

MEPC

Identified with the development side of the MEPC Board, rather than with the financial faction which ousted Mr. Anker from the managing director's seat.

Mr. David Davies, MEPC finance director, was among those thought to have opposed Mr. Anker. Until two years ago Mr. Davies was a director of Hill Samuel's banking subsidiary.

Hill Samuel, were previously advisers to MEPC, until the two companies plan to merge failed in 1970. Schroeders were called in to advise on terms for that deal, but these were never published, since City opposition to the merger had already proved too strong.

When Commercial Union, in turn, bid for MEPC, Schroeders felt unable to continue advising MEPC because of its own CUN connections, so Rothschilds won the job of successfully defending MEPC from the bid.

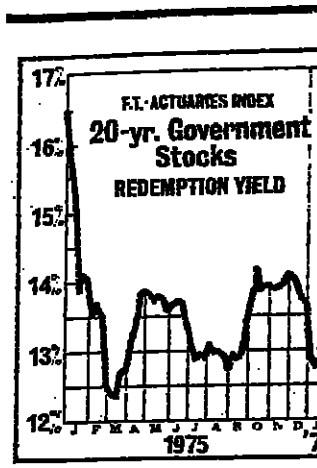
Part of the defence was that MEPC should be a true property development company, not simply an investment one. The problems of being caught halfway through this development programme when the property market collapsed are indicated by the £77m-worth of sites, where no work has started, held by MEPC.

The Prudential, with about 8 per cent., and Eagle Star, with about 6 per cent., are the largest shareholders.

THE LEX COLUMN

The bull market
in full spate

Index rose 8.7 to 417.4



The Bank of England is still giving the stock market its head. Yesterday saw Minimum Lending Rate drop a full half-point—the first time since April 1974 that MLR has fallen by more than a cautious quarter-point. Moreover the Bank continued to ignore the anguished cries of jobbers screaming for stock, and failed to bring out a new long gilt-edged tap stock. That gave a fresh impetus to the already buoyant gilt market, with gains on the high coupon bonds extending to two points—yields on the longs have now come back down to the levels seen briefly last March.

The FT 30-Share Index—the market briefly fell back through it for the fourth time on Tuesday—the bull market atmosphere is now becoming quite heady.

Certainly the economic factors are favourable to the development of the second phase of a bull market. The economy appears to have bottomed out in the latter part of 1975—the Chancellor said as much in the Commons on Thursday—which makes both industry and investors more optimistic about the future. Yet at the same time demand for credit has kept low, leaving scope for a drop in interest rates and for funds to be channelled into the stock market. This will continue until the industrial recovery gets under way later in the year, when the stock market may come under more pressure—

and an upturn in U.S. interest rates could bring problems a little earlier.

Of course, the latter stages of a bull market tend to set rather erratic, with plenty of speculative surges among the second line stocks. This week has already provided significant examples.

With Williams Hudson jumping 52 per cent., while Burnah Oil has been floated off the rocks of 32p to close at 50p last night.

John Brown

Something seems to be stirring at John Brown, and the hint of changing management attitudes helped to push the

shares up 7p to 75p yesterday despite another dismal profits statement. The outcome for the year to March is expected to be £13m. before an above average tax charge—which is better than 1974-75's £541,000, but still represents a negligible return on capital employed of nearly £60m. However, the group is already willing to talk about the substantial improvement next year, which "should be even more marked" if the economy starts to pick up this autumn.

Its optimism starts with Constructors John Brown, which lost £4.9m. a year ago and another few hundred thousand this time as a result of technical troubles with the last of its "considerable" fleet of problem contracts, now close to completion. The management has been changed, and although construction jobs overseas during the past year, the order book is apparently good and so are the profits prospects.

Meanwhile the order intake for gas turbines has faded away, but significant profits on the module fabrication development are expected to start showing through next year. At the same time the plastic machinery business ought to be doing better after producing substantial losses in 1975-76.

However, if John Brown is going to be pulled round the real lead will have to come from the Wickman machine tool business. Like a number of U.K. engineering companies, Wickman is noted for its product but not its profit: it may do worse than break even this year, £44.6m. against adjusted holders' funds of about £54.6m.

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See also Page 1

Weather

U.K. TO-DAY

VERY COLD. Snow in places. London, S.E. and Cent. S. England. Wind E. strong. Max. 10 (34F). E. Anglia, E. Cent. N. and N.E. England, Borders, Edinburgh, Dundee.

Sunny intervals, snow showers. Wind E. strong or gale. Max. 10 (34F).

Channel Is., S.W. England. Rain, sleet or snow. Wind E. strong or gale. Max. 20 (36F). Midlands, Wales, N.W. England, Lakes, I. of Man, S.W. Scotland.

N. Ireland. Dry sunny periods. Wind E. on S.E., fresh or strong. Max. 20 (36F).

Outlook: Remaining cold. Lightening—London 17.16, Manchester 17.18, Glasgow 17.16, Belfast 17.23.

BUSINESS CENTRES

City	Time	City	Time
Amsterdam	9.45	London	10.30
Antwerp	9.45	Manchester	10.30
Basel	9.45	Paris	10.30
Berlin	9.45	Rome	10.30
Bombay	9.45	Stockholm	10.30
Buenos Aires	9.45	Switzerland	10.30
Calcutta	9.45	Vienna	10.30
Canton	9.45	Zurich	10.30
Cebu	9.45		
Colon	9.45		
Hankow	9.45		
Hong Kong	9.45		
Kobe	9.45		
Lyons	9.45		
Manila	9.45		
Medan	9.45		
Shanghai	9.45		
Singapore	9.45		
Tientsin	9.45		
Yokohama	9.45		

HOLIDAY RESORTS

City	Time	City	Time
Algeria	14.30	Las Palmas	14.30
Barcelona	14.30	Madrid	14.30
Bombay	14.30	Seville	14.30
Buenos Aires	14.30	Valencia	14.30
Calcutta	14.30		
Canton	14.30		
Cebu	14.30		
Colon	14.30		
Hankow	14.30		
Hong Kong	14.30		
Kobe	14.30		
Lyons	14.30		
Manila	14.30		
Medan	14.30		
Shanghai	14.30		
Singapore	14.30		
Tientsin	14.30		
Yokohama	14.30		

ARBUTHNOT

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Signature(s) _____

Full Name(s) _____

Address(es) _____

For details of our share exchange scheme tick this box _____

For details of our monthly savings scheme tick this box _____

Received at the Post Office, printed by St. Clements Press Ltd. for and by the Financial Times Ltd., Printed in Great Britain.

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